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House of Representatives

The House met at 10 a.m.

The Reverend Dr. Thomas J. Rogers, Senior Pastor, Abiding Savior Lutheran Church, Lake Forest, California, offered the following prayer:

Almighty God, Your children come to You this day in the midst of war, recession, disease, and uncertainty. We ask You to comfort us in these hard days with a reminder of all the blessings You have showered upon us in the past. For our long history as a free people, for the melting pot of love You have made us, and for the most recent successes You have granted us on the field of battle we praise Your name.

Oh Lord, You have empowered us to liberate the people of Iraq. Now may the liberation of America continue even today, through the work of these good men and women. Give them Your wisdom and Your aid so that they might turn their attention, and the resources the Nation has entrusted into their care, to tasks and projects that will enable everyone You have created to receive this day and all days their daily bread.

Further, bless the work of these Your servants so that everyone in this Nation, following their example, will do justice, love kindness, and walk humbly with You, our maker and redeemer. I ask this all in Jesus' precious name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from California (Mr. SCHIFF) come forward and lead the House in the Pledge of Allegiance.

Mr. SCHIFF led the Pledge of Allegiance as follows:

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

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Members are advised there will be 10 one-minute speeches per side.

DUTY FIRST

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, General Douglas MacArthur once said, ''Upon the fields of friendly strife are sown the seeds that, upon other fields on other days, will bear the fruits of victory.''

Mike Kamon has played on those fields of friendly strife at West Chester Henderson High School and now at West Point. In high school he was a star lacrosse player and could have gone anywhere to college, but he chose West Point. Through his first 3 years at West Point, he distinguished himself as a potent offensive threat. But this year he is a defensive midfielder because that is what his team needs. He is willing to do whatever it takes to see his team succeed, even if it means less glory for himself in his senior season.

On May 31, Mike will become a second lieutenant in the 4th Infantry Division because that is what his country needs. He will train to be an artillery officer, and by February will be deployed to Iraq or some other front in our war on terror. Thank you, Mike, for defending our freedom.

VOTE AGAINST THE BUSH TAX CUT

(Mrs. CHRISTENSEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CHRISTENSEN. Mr. Speaker, it is hard to understand just what the White House and the leadership of this Congress have against the poor folk in this country and the millions who have lost jobs because of the mess they have made of the economy.

Just look at the contrast between the frustrations of the people and the Republicans' proposed remedies. Over 43 million people with no insurance, yet they cut Medicaid. With unemployment high, Americans need the security of extended unemployment benefits, yet they refuse the extension Democrats have been fighting for. Those on welfare need more than a stopgap job that leads nowhere, and yet the training that can lift them out of poverty is being denied. People with disabilities, veterans, many others are also being shortchanged.

All children need a quality education, and yet education and college loans are underfunded. States are barely treading water, and all regular people are struggling under an increasing tax burden while taxes are being cut to save corporations and the rich. The Christian values this country was founded on do not reconcile with the actions of the White House and our Republican leadership. Colleagues, vote with the Democrats. Vote against the Bush tax cut, and let us get our country back on the right track.

AMERICA NEEDS TAX RELIEF

(Mr. KNOLLENBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KNOLLENBERG. Mr. Speaker, tomorrow this House will consider an economic growth and jobs creation initiative that will provide a much needed short-term stimulus while setting the groundwork for long-term growth. I strongly urge Members to support it.

The Jobs and Growth Tax Act will generate nearly 1 million jobs by the end of next year by putting more money in the hands of consumers and giving businesses incentives to hire and invest.

The naysayers ask how can we afford a tax relief plan at a time when our country faces so many challenges. The real question ought to be how can we expect to meet those challenges while our economy is growing too slowly.

As Rick Wagoner, the chairman of General Motors, said when he endorsed the President's plan, ''Growth goes a long way toward addressing what ails you.''

Let us take that advice and create economic growth by passing the Jobs and Growth Tax Act. Vote ''yes'' on H.R. 2.

REJECT EDUCATION FUNDING CUTS

(Mr. ETHERIDGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ETHERIDGE. Mr. Speaker, I rise today to call on this House to reject the administration's education cuts. As a former superintendent of my State's public schools, I worked my entire life to improve education for our children.

Last Congress the administration promised to provide historic new funding to help our schools meet the requirements of the No Child Left Behind Act. Because of these promises, I voted with the overwhelming bipartisan majority to pass that legislation.

Now, as our schools struggle to avoid being labeled failing by the Department of Education, the administration has proposed massive cuts in educational funding. For the first 3 years of No Child Left Behind, the administration is proposing to underfund it by nearly $20 billion. These education cuts will make it virtually impossible for our children and schools to meet the tough new standards imposed by the Department of Education.

Mr. Speaker, my State has led the Nation in raising performance standards in our schools, but tough requirements without real resources will amount to nothing but cruelty for our children and schools. Congress should call time out on the No Child Left Behind Act until the administration provides the funding it has promised to make it work.

□ 1015

INCREASING BONUS DEPRECIATION PROVIDES IMMEDIATE JOBS AND ECONOMIC GROWTH

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, I rise today to applaud the jobs and growth plan developed by the gentleman from California (Mr. THOMAS), chairman of the Committee on Ways and Means. He has worked hard to include the best of President George W. Bush's solutions to provide more jobs for Americans and giving our economy an immediate boost. Particularly I am appreciative that bonus depreciation will be increased from 30 to 50 percent for 3 years, an initiative similar to the Business Expensing Act of 2003, which I introduced this year. This proposal was championed by the gentleman from Illinois (Mr. WELLER), recognizing that when businesses can save money immediately on buying new equipment more money is put into the economy and more jobs are created.

The Heritage Foundation has estimated that this jobs and growth plan will create 1.2 million new jobs by the end of 2004 alone. Americans need jobs and the economy needs a boost right now. This plan is exactly the right plan at the right time.

In conclusion, God bless our troops.

VOTE AGAINST WORKFORCE REINVESTMENT AND ADULT EDUCATION ACT

(Ms. LORETTA SANCHEZ of California asked and was given permission to address the House for 1 minute.)

Ms. LORETTA SANCHEZ of California. Mr. Speaker, I rise today to speak out against H.R. 1261, the Workforce Reinvestment and Adult Education Act. The unemployment rate in this country jumped to 6 percent last month, leaving 8.8 million Americans without a job. The Republican response to this crisis is a very weak bill that does nothing to creates jobs for American workers. The bill also eliminates funding to provide job search and job training assistance to dislocated workers and to those affected by these mass layoffs. Moreover, this bill does nothing to restore the $440 million in cuts already imposed on the job training programs of this Nation, nor does it protect against an additional $265 million in proposed cuts for fiscal year 2004.

We need to enact legislation that creates jobs. This bill, coupled with another large tax cut, does nothing to help low-income workers who need relief from this struggling economy. What will it take for this administration to realize that their plans are not working? 7 percent unemployment? 10 percent unemployment?

I urge my colleagues to vote against H.R. 1261 and the other legislation that leaves our Nation's unemployed workers behind.

IN SUPPORT OF THE TAX CUT PLAN

(Mrs. MILLER of Michigan asked and was given permission to address the House for 1 minute.)

Mrs. MILLER of Michigan. Mr. Speaker, I come from the Great Lakes State of Michigan, the home to the big three auto industry companies who are, of course, all absolutely outstanding corporate citizens. Following the terrorist attacks on our Nation on September 11, the big three helped keep our economy moving by offering incentives, like zero interest financing. Without, I think, this very innovative idea, I believe we could have seen an even steeper downturn in our economy.

The economy needs stimulus and the President has offered a very strong jobs and economic growth package which I wholeheartedly support. During the President's recent visit to our State of Michigan, the leaders of the big three auto companies all endorsed the President's jobs package as the best idea to keep our economy rolling. They observed that by eliminating the double taxation of dividends that we would bring about a 6 to 15 percent increase in stock prices. Of course this would help employers to meet their responsibilities to retirees living on a pension and bolster the bottom line of every American with a 401(k).

The President's plan is the best way that we can help families and retirees by putting more money back in their pockets and allowing businesses to create more jobs. I support the President's plan, and I urge my colleagues to do so.

CONGRESS UNDERFUNDING NO CHILD LEFT BEHIND BILL

(Mr. STRICKLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRICKLAND. Mr. Speaker, a few months ago on a bipartisan basis, we voted for the so-called Leave No Child Behind bill. But in the interim period, we have failed to meet our obligations, obligations that we have under that bill. We are underfunding the No Child Left Behind bill by $11 billion. Yet the students across this country are going to be subjected to the tests mandated under that bill, the States are going to be required to fund these unfunded mandates and it is estimated that perhaps as many as 60 to 80 percent of our schools will be called failing schools.

Mr. Speaker, our students are not failing, our teachers are not failing, our schools are not failing. I will tell you who is failing: The President and those of us who serve in this Chamber. We are failing our schools, our teachers and our students.

RECOGNIZING UNIVERSITY OF NORTH TEXAS AND ITS NEW CENTER FOR ADVANCED RESEARCH AND TECHNOLOGY (CART)

(Mr. BURGESS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURGESS. Mr. Speaker, I rise today to recognize an institution of

higher learning in my district, the University of North Texas and their Center for Advanced Research and Technology. This university's investment into research provides a unique opportunity to provide an incubator for interdisciplinary research with experimentation in material science, computer science and engineering. The university's goal is to provide the capabilities necessary to satisfy the growing technological and engineering needs of the north Texas region and for the talented faculty to advance research on projects of national importance associated with nanotechnology.

The University of North Texas had the foresight to invest in this facility and has taken the first step to serve as the region's research arm for nanotechnology research and all of the promise that this new branch of science holds. Once the center is fully established, it will serve as a focal point for basic and applied research. It will be the first high-tech entrepreneurial research and development park in Denton County, one of the fastest growing communities in the United States.

I invite my colleagues to join me in congratulating the University of North Texas in their quest to keep America on the cutting edge of research and development.

THE PRESIDENT'S JOBS AND GROWTH PACKAGE

(Ms. PRYCE of Ohio asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PRYCE of Ohio. Mr. Speaker, in his first year in office, President Bush has put his MBA to the test and he has passed with very high marks. Through a recession, a terrorist attack and a war, the President has amply demonstrated leadership, helping businesses and their workers pull through some pretty tough times. The President and House Republicans understand a simple concept: When America works, America prospers. And the best way to foster that prosperity is by giving businesses the tools they need to create jobs and to grow the economy. Government does not tax things. Government taxes people. When workers and business owners are not allowed to keep the money they earn, productivity suffers, wages decline and research and development gets postponed. That is why the President's jobs and growth plan is so vital, because one American out of work is too many. When America works, America grows. When America works, America prospers. And when America works, America is proud.

Let us get to work along with the President, exert some leadership and get this country back to work.

NATO ENLARGEMENT

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, today this Member rises to inform the House that the United States Senate a few minutes ago by a vote of 96–0 voted to give its advice and consent to U.S. ratification of the NATO enlargement protocols. The lines drawn across Europe at Yalta are gone. By its action today on the 58th anniversary of Victory in Europe Day, the Senate has approved the membership of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia in the North Atlantic Alliance.

According to the Constitution, it is the Senate that must give its advice and consent to treaty protocols. But, Mr. Speaker, this Member must note the leading role that this Chamber has played in promoting the admission into NATO of the new democracies of Central and Eastern Europe. The decision to admit former Communist countries from Central and Eastern Europe into the Atlantic Alliance is one of the great success stories in American foreign policy since the end of the Cold War. It is a bipartisan success, promoted by Republicans and Democrats in the Congress and by both the Clinton and Bush administrations. The seven nations across the face of Eastern and Central Europe that join NATO are democracies that will help build a stronger North Atlantic Alliance. Having fought so long and hard to gain their freedom, these nations know how very precious freedom is.

I ask all the states of the NATO nations to give their approval under their national processes as Canada, Norway and now the United States have done.

AMERICA STANDS WITH ISRAEL

(Mr. PENCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, America stands with Israel. This weekend as the Secretary of State begins a key phase of negotiations in the road map for peace, I am confident he will remember this core value of the American people. America is not a neutral party in the negotiations in the Middle East. We are not, nor do we aspire to be, an honest broker. America stands with Israel.

In this vein yesterday in the Committee on International Relations, we adopted the Lantos amendment to the State Department authorization bill demanding a Palestinian first approach to concessions. The Palestinian Authority must first recognize Israel's right to exist, hunt down terrorists and dismantle terrorist infrastructure before Israel can be expected to make any concessions on the path to peace.

I pray for the peace of Jerusalem and I pray that Prime Minister Abbas and his Cabinet will defeat the terrorists within their midst and choose life for their people in that war-torn region.

PROVIDING FOR CONSIDERATION OF H.R. 1261, WORKFORCE REINVESTMENT AND ADULT EDUCATION ACT OF 2003

Ms. PRYCE of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 221 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 221

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1261) to enhance the workforce investment system of the Nation by strengthening one-stop career centers, providing for more effective governance arrangements, promoting access to a more comprehensive array of employment, training, and related services, establishing a targeted approach to serving youth, and improving performance accountability, and for other purposes. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Education and the Workforce. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Education and the Workforce now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. No amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. ADERHOLT). The gentlewoman from Ohio (Ms. PRYCE) is recognized for 1 hour.

Ms. PRYCE of Ohio. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MCGOVERN), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 221 is a structured but fair rule providing for

the consideration of H.R. 1261, the Workforce Reinvestment and Adult Education Act of 2003. This rule provides for 1 hour of general debate equally divided between the chairman and ranking minority member of the Committee on Education and the Workforce. After general debate, it will be in order to consider only the amendments printed in the report accompanying this resolution, by the Member designated and debatable for the time specified in the report, equally divided and controlled by a proponent and an opponent.

In total, this rule makes eight amendments in order, three offered by Republican Members and five offered by Democrat Members.

Finally, the rule permits the minority a motion to recommit, with or without instructions.

□ 1030

The rule waives all points of order against the amendments printed in the report.

Mr. Speaker, one of the greatest experiences for a Member of Congress is when we can acknowledge that a particular policy or plan that we have passed has been successful. Today is one of those times as we reauthorize the landmark 1998 Workforce Investment Act. In 1998, Congress passed the Workforce Investment Act to reform the Nation's job training system. At that time it was fragmented, duplicative and ineffective to both job seekers and employers. The path from unemployment to a job was long and winding and treacherous and often led to a dead end. There were many areas for improvement and we found them. What followed was a plan that consolidated and integrated employment and training services at the local level in a more unified work force development system. Today we can clearly see the positive results.

For example, if we take a snapshot view of the program from 2000 to 2001 we see 1.1 million individuals receiving intensive training from programs and services offered and millions more accessing self-service job listings and placement assistance through the one-stop centers and 82 percent of unemployed workers finding a job, up from 76 percent the previous year, increased employment rates for low-income adults rising from 69 percent to 76 percent, and higher diploma attainment rate for youth jumping from 35 percent to 54 percent. What a wonderful accomplishment. Few can dispute this evidence of success. Few can discount the millions of lives that have been changed with greater independence and greater self-worth.

So today we will build upon these achievements and pass the Workforce Reinvestment and Adult Education Act of 2003.

First, in this plan Congress goes even further in streamlining bureaucracy. Finding a new or better job is no small task, and workers will welcome few barriers allowing them to take full advantage of the employment assistance.

Second, the package strengthens essential components such as adult education with vital reading and math skills. An adult education system should focus on improving results for those most in need of help, those who have already been left behind who have not attained the core skills that they need. By improving adults' basic reading and math skills and providing limited English proficiency lessons, this plan goes even further in equipping workers with tools and training necessary to enter the 21st century workforce.

This bill also enhances the landmark flexibility and local involvement that Congress provided to States and communities in the 1998 law. More duplicative programs and services have been identified and consolidated, saving money and precious resources. State and local officials receive even more flexibility to target Federal resources toward the unique needs of their own communities.

Finally, reauthorizing this plan helps strengthen America's economy by helping more workers find better jobs. The One-Stop Career Center system that provides job training and career information gives workers a necessary bridge to rejoin the workforce or retraining for better jobs. Such services are immeasurable and an investment into America's workforce.

Tomorrow this body will consider a jobs and growth package aimed at stimulating businesses and better jobs. Tomorrow we consider how to create new jobs. But today we consider how to strengthen the worker, how to equip the worker with the knowledge and the skills needed to succeed in those new jobs. An unlimited supply of jobs would not do America's economy any good without a qualified worker for each and every one of them. Strengthening America's economy requires both good jobs and good workers, and today I ask my colleagues to remember that when considering this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, I rise in opposition to the rule and to the bill, and let me say just when we think that the Republican leadership of this House could not be any more out of touch with reality they bring this bill to the floor today, and today's contribution is the so-called Workforce Reinvestment and Adult Education Act of 2003.

Let us review some of the basic facts of the failed economic policies of this President and of this Congress. Those policies have led to a 6 percent unemployment rate, the highest in years. There are more unemployed people in this country today than at any point since July of 1993. Of the 8.8 million people who are out of work in America, nearly 2 million have been out of work for 27 weeks or more. The average length of unemployment is now approximately 20 weeks, the highest since 1984.

Mr. Speaker, the economy is ailing and Republican policies are failing, and every day the people of America are the ones who are suffering. And how does the majority propose to help the unemployed in this country? First, by proposing a misguided tax scheme. The President and the Republicans claim that their tax bill will create a million jobs. No serious economist or no serious person believes that.

But even taking them at their word, each new job under their plan would cost $550,000 in lost revenue, about 17 times the salary of the average American worker. Talk about waste, fraud and abuse. On the other hand, every dollar we spend on unemployment benefits will boost the economy by $1.73. That is what is called growth, not that the Republican majority knows anything about that.

The second part of their plan is to cut job training, disability, and veteran employment, and adult learning programs to hurt the very people we should be helping.

The Workforce Reinvestment and Adult Education Act of 2003 we are considering here today does nothing to help create jobs or to reduce the number of unemployed people in this country.

Mr. Speaker, the American people deserve much better. Contrary to what we will hear from the majority, this bill actually makes it harder for the unemployed to get employment and reemployment training.

The SEIU, in an open letter to every Member of this body, said that ''The primary task of the workforce development system must be to connect unemployed or underemployed workers with family-sustaining jobs that provide good wages and benefits and afford economic self-sufficiency.'' They are right. But if they are a young person who needs employment training while looking for their first job, this bill will not help them. If they are an adult who needs reemployment training and assistance as they look for a new job, this bill is not going to help them.

Specifically, this bill block-grants adult, dislocated worker, and employment service funding streams. It allows States to use funds from the Disability and Veteran Employment and Adult Learning programs to fund expenses at the Workforce Investment Act's centers. The result of this provision will be more bureaucracy and less training for the disabled and veterans.

Given all the rhetoric we hear in this place about veterans, this provision is unacceptable. We should be doing everything we can to help veterans find employment instead of slashing the Disability and Veteran Employment and Adult Learning Programs.

Additionally, Mr. Speaker, the bill eliminates existing protections and safeguards against low quality and potentially fraudulent job training providers and permits States to allow

these providers to receive Federal funding. It caps the use of funds for services for low-income youth, those considered most likely to drop out of school at 30 percent.

Mr. Speaker, many Democrats offered several good amendments in the Committee on Rules yesterday. Unfortunately the majority has decided to stifle the debate on these important issues by denying these Members the opportunity to offer most of these amendments here on the floor.

One of the amendments offered in committee and denied by the majority was an extension of unemployment benefits for workers who have lost their jobs. Unemployment benefits expire at the end of this month. Too many unemployed workers simply cannot find work because the jobs are not there. These people desperately need the unemployment benefits traditionally supplied by the Federal Government in difficult times. It is flat wrong that the majority refuses to allow a vote on the extension of these important benefits. But if that were not bad enough, this bill also attacks the Constitution by repealing civil rights protections that are written in the current law.

Twenty-one years ago, then-Senator Dan Quayle sponsored legislation that provided civil rights protections against employment discrimination based on religion in programs that receive Federal funding. President Reagan signed that bill into law. It is not every day that a Democrat like me praises the good work of Dan Quayle, but the nondiscrimination provision he offered is good policy that has served us well.

And this provision received strong bipartisan support when the Workforce Reinvestment Act was reauthorized in 1998. But the Workforce Reinvestment and Adult Education Act of 2003 before us today shreds these protections by allowing religious organizations to receive Federal funding under the bill for job training activities and social services and then to discriminate in hiring based on religion. In other words, this bill would allow a religious organization that discriminates based on religion, like Bob Jones University, to get taxpayer money for Federal job training programs.

This provision is unconstitutional, unacceptable and offensive. An amendment to remove this provision was offered in the Committee on Rules and, like other substantive amendments, was not made in order.

Mr. Speaker, this is a lousy bill. Yesterday the Committee on Rules majority got into a debate over whose responsibility it is to deal with the unemployment benefits issue. Some said the Committee on Education and the Workforce, others said the Committee on Ways and Means. But I would say to my colleagues on the other side of the aisle, do they not go home to their districts? Do they not listen to their constituents? Do they not know that their constituents care more about jobs and a strong economy than about jurisdictional cat fights? This is outrageous and they know it.

Mr. Speaker, this is an unfair rule and it is a bad bill, and I urge my colleague to think of the unemployed in their districts and ask themselves does this bill help my constituents? The honest answer is no. I urge this House to defeat the rule and vote against the bill.

Mr. Speaker, I reserve the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me this time.

Mr. Speaker, I urge my colleagues to oppose the previous question of the rule on this Workforce Reinvestment and Adult Education Act of 2003. This legislation before us today and the consideration tomorrow of the Republicans' irresponsible tax bill tell the American people everything they ever wanted to know about where the majority's priorities lie. And lest anyone be mistaken, their priorities do not lie with the workers and families who are suffering through the anxiety and stress of joblessness, with more than 10 million American workers now unemployed, with the loss of 2.7 million private sector jobs since President Bush was inaugurated, and 500,000 in the last 3 months; and with the unemployment rate at 6 percent, its highest level since 1994, the majority would undercut local reemployment efforts and eliminate services for job-seeking veterans, dislocated workers, and the disabled.

This Act was authorized 4 years ago after a lengthy bipartisan process. But today, today the majority turns it into a partisan vise that will squeeze America's jobless. It gives governors unlimited authority to divert funds from adult education, disability, and veterans' services. And we will, like Pontius Pilate, wring our hands and say it was not our responsibility, it was the governors' responsibility. And it fails to restore the $440 million in cuts imposed on job-training programs or protect against 265 million more in proposed cuts for fiscal 2004.

Just imagine, just imagine, under Republican stewardship our economy has shed millions of jobs and at the same time the GOP is undermining job training programs. Republicans may call that compassion; Democrats call it indifference. Adding insult to injury, the big tent GOP seeks to change the original law to permit organizations that received Work Investment Act funds to discriminate on religious grounds in hiring, something that Dan Quayle said they should not do.

I commend my colleagues who fought to restore the current law. Their amendment should have been made in order. Was there a lack of conviction that the allowing of discrimination in this bill was an appropriate policy and they could not hold their Members on their side of the aisle for such discrimination?

Democrats believe this Congress must enact policies that jump-start our economy and create jobs, and redoubling our job-training efforts is a vital part of that.

□ 1045

This bill simply gives the cold shoulder to millions of jobless Americans. I urge my colleagues to vote against the previous question, to vote against the rule, and to vote against this bad bill.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 4 minutes to the distinguished gentleman from Georgia (Mr. LINDER), a member of the Committee on Rules.

Mr. LINDER. Mr. Speaker, I thank my friend and colleague from the Committee on Rules for yielding me time.

Mr. Speaker, H. Res. 221 is a structured rule that gives the House the opportunity to consider eight amendments to the Workforce Reinvestment and Adult Education Act of 2003. The Committee on Rules has attempted to be as fair as possible in crafting this rule and has made in order five Democrat amendments, two Republican amendments, and a manager's amendment. I urge my colleagues in the House to join me in supporting this rule so we can move on to debate the underlying legislation.

With respect to H.R. 1261, I wanted to commend the gentleman from California (Mr. MCKEON) and the gentleman from Ohio (Mr. BOEHNER), chairman of the Subcommittee on 21st Century Competitiveness and chairman of the full Committee on Education and the Workforce respectively, for all of the time and effort they have invested in bringing this very important and well-crafted legislation to the House floor today.

America's economy has been through a great deal in the last few years. We experienced the shock of September 11, we have endured a recession, and we faced the uncertainty of war. In spite of all this, the American economy is growing fast, and growing faster than most of the industrialized world. To ensure that our economy meets its full potential, we must create the conditions for continued growth and prosperity.

As the economy continues to recover, hundreds of thousands of Americans are searching for good, stable jobs. We have an opportunity here to assist those Americans in finding employment, and I believe that H.R. 1261 is a positive step in the right direction.

H.R. 1261 amends the 1998 Workforce Investment Act, which authorized the Federal Government's primary programs for helping our Nation's workers gain the skills they need to succeed in today's rapidly changing workforce. The 1998 act has helped unprecedented numbers of American workers find employment by finding workforce investment services and programs through

statewide and local One-Stop Career Center systems, but it could help even more, and that is exactly what H.R. 1261 is designed to do.

H.R. 1261 aims to streamline work investment programs in order to provide more efficient and results-oriented services. It will provide also an opportunity to build on and improve the current system so that it can respond quickly and effectively to the changing needs of both workers and employers. In addition, it will eliminate duplication, improve accountability, increase State flexibility, and strengthen adult education programs.

To the credit of the subcommittee chairman, the gentleman from California (Mr. MCKEON), and the full committee chairman, the gentleman from Ohio (Mr. BOEHNER), I believe H.R. 1261, combined with President Bush's jobs and growth tax relief initiative, will move us toward our goal of creating more job opportunities for our citizens and ensuring that out-of-work Americans have the access to the tools and resources they need to rejoin the workforce or retrain for better jobs.

Mr. Speaker, I urge my colleagues to support the rule so that we may proceed to debate the underlying legislation.

Mr. MCGOVERN. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. VAN HOLLEN), whose important amendment was denied yesterday in the Committee on Rules.

Mr. VAN HOLLEN. Mr. Speaker, I thank the gentleman for yielding me time.

As a new Member of this House, I was appalled that one of the first actions we took in the Committee on Education and the Workforce was to adopt a provision that strikes at the heart of religious liberty in this country. The underlying bill contains a provision that takes us down a very dangerous road in this country, a road of religious bigotry and intolerance; and even worse, it uses taxpayers' dollars to promote that intolerance.

What am I talking about? Under current law, if you receive Federal funds to run a job training program in this country, you are not allowed to discriminate in your hiring based on religion. I think that makes sense to all Americans. If you are receiving Federal dollars for a program you are running, you should not be able to say to a perspective job applicant, I am sorry, you are the wrong religion. But that is what this does.

Here is a chart that shows what current law is. This was a law that was language originally signed into law by President Reagan. It was most recently adopted again by this body in 1988 as part of the last reauthorization of the Workforce Investment Act. It has a prohibition of discrimination language, and it prohibits discrimination in employment based on religion, existing law.

But what this underlying bill does is it takes a big red X mark and crosses out ''religion.'' It is a green light in this country to allow organizations that receive Federal funds to say no, to give you the religion test.

Imagine if you were to open up your local newspaper and see a help wanted ad for a job training program, and it said Christians only need apply, Jews only need apply, or Muslims only need apply. In fact, it can say Baptists only, or Methodists only. We would be appalled. But even worse, we would be appalled if we saw that that ad in that newspaper was paid for with U.S. taxpayer dollars.

Imagine as an American citizen responding to an ad for a job with a job training program, and you are qualified and you go to the interview, and they say, Gee, you know, you are really qualified, in fact you provided job training services in the past, but, golly, you are just the wrong religion. You are not a Christian, or a Jew, or You are not a Muslim.

Or you could be the right religion, but they are allowed to interrogate you. They can ask you questions. How many times did you go to church? Or synagogue? What are your charitable contributions? Let's talk about your marriage and family life. They are allowed under this provision to probe into your personal life to determine whether you meet their ''religious test.'' And they can do it all with your taxpayer dollars.

Mr. Speaker, that is not the America I know. I do not think that is the America most Americans know. It strikes at the heart of our constitutional protections for liberty.

I would just say I think the full House deserves an opportunity to at least debate this, so that all 435 members have an opportunity to vote ''yes'' or ''no'' on whether they want to use taxpayer dollars to discriminate.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 2 minutes to the distinguished gentleman from Indiana (Mr. SOUDER).

(Mr. SOUDER asked and was given permission to revise and extend his remarks.)

Mr. SOUDER. Mr. Speaker, what is really disturbing in debates is how to counter misinformation when it is repeated on a constant basis on the floor of this House.

The constitutional protection for religious liberty also extends to churches and it extends to organizations that reflect faith. That applies in the Tax Code. I presume a previous speaker, based on that logic, would not want to give a tax deduction to a church or a religious organization that discriminates in their hiring practices. For example, you would not have a Christian as the head of a synagogue, or you would not have a Muslim preaching at a Christian church. The charitable deduction is shaped that way; tax deductions are shaped that way.

We have all sorts of court-approved guidelines, for example, in the sense of they have ruled in some of the schools you can fund a computer, but you cannot fund the software, if you look at it that way. In other words, busing programs and other things can even be funded directly by the government.

But what is debated here is indirect funding. That is vouchers. We have numerous programs that have passed overwhelmingly in this House that have said when there is a choice, when no one is forced into it, why should people not be able to choose a job training program, an after-school program, a literacy program or other such type of thing that would enable them to be better prepared for the workplace?

If there is a secular choice and if there are multiple choices in job training, why can one of those choices not be in an inner-city neighborhood, where the churches are often the cultural organizing institution? Why can one of those choices not be, like the black churches in my district or some of the Hispanic outreach programs run through the Catholic Church, or some of the charismatic programs run in some of the immigrant Hispanic communities, where they are doing the job training, where we can leverage the dollars and have people committed as much as possible?

We know that regardless of who controls this House and the State houses, there will never be enough money to meet all the needs of those who are trying to find work, who are trying to secure health care, who are people with AIDS and so on; and unless we can engage the private sector that is faith-based, we will be overwhelmed with these problems.

This bill is one small step, and we should not practice religious bigotry and say everyone can be involved except for people of faith unless they give up their faith. That is just not right when there is choice.

Mr. MCGOVERN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, it is a fundamental American principle that no citizen should have to pass someone else's religious test to qualify for a tax-funded job. The vast majority of American citizens agree with that principle, and yet this bill would violate that principle, that constitutional provision in the first amendment.

In my 12 years in the House, I have never been more deeply offended by the action of the Committee on Rules than with this rule. To deny the Members of the House of Representatives to debate the issue of religious freedom, to be able to apply for a federally funded job without having a religious test given to you by another citizen, to deny us even the right to debate that principle, an issue that Madison and Jefferson thought important enough to embed into the first 16 words of the first amendment of the Bill of Rights, I find deeply offensive, not only to the Members of this House and this institution, but to the American people who agree

with the principle that you should not be able to discriminate against people based on religion in order to obtain a federally funded job.

I think we lose our moral authority in preaching to the Iraqi citizens about religious freedom and democracy if we, this week, this day in this House of Representatives, in America, vote to say an American citizen can be denied a job for which they are fully qualified, a job funded by their taxes, simply because they were Christian or they were Muslim or they were Jewish.

It is not right that an organization associated with Bob Jones University could get a $2 million job training program and put out a sign that says no Jews or no Catholics need apply here for a federally funded job.

If the Republican leadership of this House wants to defend the position that subsidizing religious discrimination in Federal job hiring is a good idea, then, okay. I will not defend that idea, but, if you do, I respect your right to try to debate that idea. But you have denied us even the opportunity to debate whether that idea is right or wrong, and that is deeply offensive.

We should vote against this rule and allow the House to debate this important American principle.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 4 minutes to the distinguished gentleman from California (Mr. MCKEON), the chairman of the Committee on Education and the Workforce Subcommittee on 21st Century Competitiveness and the man who has earned the nickname of the Father of One-Stop Career Centers.

Mr. MCKEON. Mr. Speaker, I thank the gentlewoman for yielding me time.

Mr. Speaker, I rise in support of the rule on H.R. 1261, the Workforce Reinvestment and Adult Education Act of 2003. This important bill will reauthorize the Nation's job training programs.

In 1998, under the Committee on Education and the Workforce's leadership, Congress passed the Workforce Investment Act to reform the Nation's job training system that formerly was fragmented, contained overlapping programs, and did not serve either job seekers nor employers well. WIA consolidated and integrated employment and training services at the local level in a more unified workforce development system.

The act created three funding streams to provide for adult employment and training services, dislocated workers' employment and training services, and youth development services. These services are directed by the local business-led workforce investment boards.

One of the hallmarks of the new system is that, in order to encourage the development of comprehensive systems that improve services to both employers and job seekers, local services are provided through a one-stop delivery system. At the one-stop centers, the system ranges from core services such as job surge and placement assistance, access to job listings, and an initial assessment of skills and needs, intensive services, such as comprehensive assessments and case management, and, if needed, occupational skills training.

In addition, to further promote a seamless system of services for job seekers and employers, numerous other Federal programs also must make their services available through the one-stop system.

The WIA system contains the Federal Government's primary programs for investment in our Nation's workforce preparation.

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Even though the system is still maturing since its full implementation in July of 2000, States and local areas have created comprehensive services and effective one-stop delivery systems.

The system is serving the needs of unemployed workers seeking new jobs in this time of economic recovery. In addition, the training services provided through WIA are invaluable in helping employers find the workers they need in areas of the country facing skill shortages.

Nonetheless, there have been challenges with the system. For example, we have heard of the need to create to increase the financial contribution of the mandatory partners in the One-Stop Career Centers while, at the same time, increasing the service integration among the partner programs. This includes serving through the one-stop system special populations that have unique needs.

We have heard that we need to simplify the local and State governance processes and to strengthen the private sector's role. In addition, we have heard about the need to increase training opportunities and improve performance accountability.

Solutions to these challenges have been included in H.R. 1261.

They will enhance the system so that it will continue to meet the training and employment needs of the information-based, highly-schooled 21st century workforce.

As many Members have talked about already, the Nation's economic recovery has been slow at best. Between March and April, job cuts jumped 71 percent. U.S. employers wiped out over 146,000 jobs last month, compared with a little more than 85,000 in March.

My home State of California experienced the biggest loss, with a loss of 32,891 jobs.

This Congress cannot sit idly by while more and more Americans are added to the unemployment rolls. We must act now and pass legislation that will help Americans search for good and stable jobs.

I urge my colleagues to vote ''yes'' on this rule and allow us to move forward in bringing H.R. 1261 to the floor for a vote.

Mr. MCGOVERN. Mr. Speaker, could I inquire how much time each side has?

The SPEAKER pro tempore (Mr. ADERHOLT). The gentleman from Massachusetts (Mr. MCGOVERN) has 16 minutes remaining, and the gentlewoman from Ohio (Ms. PRYCE) has 16½ minutes remaining.

Mr. MCGOVERN. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT of Virginia. Mr. Speaker, because of our sorry history of bigotry in this Nation, for decades it has been illegal to discriminate in employment and make decisions, job decisions based on race or religion. The only exception is churches and religious organizations can discriminate with their own money, but not with Federal money.

So let us be clear. If this rule passes, we will vaporize civil rights protections that have been in effect for decades. It is not going to make it easier for Federal organizations to get contracts; they still need to apply, compete, and are subject to audit. But any program that can get funded under this bill can get funded anyway; just do not discriminate in employment. And under those rules, Catholic organizations, Jewish, Lutheran, Baptist organizations get hundreds of millions of dollars today. And, Mr. Speaker, if we allow religious discrimination, we will be allowing racial discrimination, because many organizations are 100 percent African American or 100 percent white.

Now, Mr. Speaker, employment discrimination is ugly. You can put lipstick on a pig, but you cannot pass it off as a beauty queen. And you cannot dress up discrimination with poll-tested semantics and euphemisms and pass it off as anything other than ugly discrimination.

Let us defeat this rule and allow an amendment to maintain basic traditional civil rights protections.

Mr. MCGOVERN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Mr. Speaker, I want to join my colleagues on this side of the aisle who are rejecting this legislation because of its embracing of religious bigotry. As was pointed out, the language that is in the current law was authored by Dan Quayle, it was signed into law by Ronald Reagan. I guess that was when the Republican Party was a more tolerant party.

But this Republican Party today, for the first time, will repeal a major civil rights piece of legislation that outlaws discrimination based upon religion. To do so is to embrace the ugly, ugly form of religious bigotry. There is no other explanation for that. The people will be rejected in the pursuit of their employment, and it comes in a bill that is designed to get people more employment. They can be qualified for the job, they can be ready to go to work, they can provide value-added to their employer, and they can be rejected because of their religion and for no other reason.

That is bigotry. That is what the Republican Party is embracing here.

Yes, today religions can reject this with their private money and their private donations and collections. They can do that. But if they take Federal money, they cannot do it.

This is not about whether or not religious organizations participate in work employment programs, work training programs. One of the most effective programs in my district is run by North Richmond Missionary Baptist Church. It came out of welfare reform. It has done a tremendous job of getting people trained and into employment. But they do not discriminate against people, because the law does not allow that. But hundreds of thousands of dollars are run through that program to try to help people be employed. But this law will say for the first time that a religious organization with Federal money, with a position paid by the Federal Government, can discriminate against individuals because of their religion.

My colleagues are right. We should reject this. And it is an insult, and it goes to the level of the corruption of the democratic institution of the House of Representatives that we would not be allowed to have an amendment where we could debate and vote on this measure. This is fundamental to the freedoms of this country, it is fundamental to the right of free speech in this institution, it is fundamental to the democracy of the people's House. But this process has been so corrupted in the Committee on Rules, so corrupted by the Republican leadership that we will not be allowed a vote on the matter of whether or not people should be allowed to discriminate with Federal dollars, whether organizations should be able to engage in religious bigotry. Members will not be able to have an up or down vote. You talk about a corrupt process.

We spilled blood to bring democracy and freedom in Iraq and we see it being closed down in the House of Representatives. We see the underlying basic tenets of the democratic foundation of this House, the right to debate, the right to vote, the right to express our differences being corrupted by the Republican leadership and the Republican Committee on Rules.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 5 minutes to my distinguished colleague, the gentleman from the great State of Ohio (Mr. BOEHNER), chairman of the Committee on Education and the Workforce.

Mr. BOEHNER. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, a lot has been said about the reauthorization of the Workforce Reinvestment Act and we will get into a broader debate about that once we pass this very fair rule that we have before us. But as we can see, the debate is coming down over an issue of whether faith-based organizations can maintain, maintain their Title VII religious exemption.

When we wrote the civil rights laws in this Congress back in the 1960s, we made it clear that religious organizations could, in fact, discriminate in hiring for their church and church-related services, and the only thing that we do in this bill is to allow those organizations to continue to be faith-based organizations. They can provide services in terms of providing job training or retraining, and they can maintain, they can maintain their Title VII exemption.

Now, we are hearing all of this noise about this is the first time and this is such an abridgement. Let me just point out for my colleagues that there are a number of programs that allow organizations to accept Federal dollars and to maintain their religious identity. They are the Adult Education and Family Literacy Act, the 21st Century Community Learning Centers, Title V of the abstinence education grants, Older Americans Act, the job opportunities for low-income individuals, abandoned infants grants, child abuse and neglect discretionary grants, runaway and homeless youth basic center programs, religious organizations can take Federal money and keep their Title VII exemptions which allow them to hire whom they want to hire within their organizations.

Now, if this is not enough, how about the four bills that President Bill Clinton signed into law that allow these same organizations to take Federal dollars and continue to maintain their Title VII exemption. The Substance Abuse and Mental Health Services Administration Act, the Community Services Block Grant Act, the Personal Responsibility of Work Opportunities Reconciliation Act, and the Community Renewal Tax Relief Act all allow organizations to take Federal money and to maintain their Title VII exemption.

Now, this is a debate that has been going on in this Congress over the last several years since President Bush made the case that faith-based organizations, which are integral in many of our inner city communities, that we ought to allow these organizations to provide services. And the big debate that we have here is that people want to say, well, yes, we want them to provide services, but if they take one Federal dollar in providing their services, they ought to give up all of their civil rights protections. Hogwash. These organizations are doing wonderful things in many communities in America and we should not deny them the civil rights protections that were granted to them in 1965 just because they take a Federal dollar in the pursuit of their mission of trying to help people in their own communities.

So I would ask my colleagues and urge my colleagues to support the rule today and support this bill and to support allowing faith-based organizations to do the job they are doing in many of our communities.

Mr. EDWARDS. Mr. Speaker, will the gentleman yield?

Mr. BOEHNER. I yield to the gentleman from Texas.

Mr. EDWARDS. Mr. Speaker, I respect the gentleman's right to support this bill as written. In my opinion, it would discriminate against American citizens in job-hiring simply based on their religious faith. I think that is wrong.

But what I think is doubly wrong is that the Republican leadership in the House denied us the right to even have this honest debate on which the gentleman from Ohio and I would agree is a fundamentally important issue.

I would like to ask the gentleman, did he support shutting down our right to debate this issue?

Mr. BOEHNER. Mr. Speaker, reclaiming my time, the Congress in 1965 when they wrote the civil rights laws decided to allow these organizations to maintain their right to hire whom they please. All we are trying to do with this bill today is to allow that to continue.

Mr. MCGOVERN. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I rise in opposition to the rule for this misguided reauthorization of the Workforce Investment Act, a bill that fails to create job opportunities or extend unemployment benefits, that places the burden of increasing rising unemployment costs, that places the coping with that issue on our already financially crippled cities and States.

We are at a time in our history when record numbers of people are being laid off, when unemployment benefits are going to expire at the end of this month, and what is our response? Curtailing the services these workers depend on to find new employment, and doing so when these services are already underfunded and straining to meet the increasing demand.

The President's budget called for rescinding $300 million in funding in addition to the more than $700 million in cuts to job training programs for this year and next. This bill block grants adult dislocated worker and employment service funding and helps workers find jobs. It cuts summer employment opportunities mentoring and job counseling. At a time when men and women in our military are returning from combat, it takes money from disability and veteran employment and adult learning programs.

My Republican colleagues would like to tell us that what they are doing is providing flexibility to the States to deal with these issues. The only flexibility that they provide to these States is what populations to jettison, what programs to cut. Our States are not going to be capable of handling what the Federal Government and what this Bush administration and the Republican House leadership want to foist on them.

I tried to offer a modest amendment to provide assistance to women to help move into nontraditional jobs, like

carpentry, manufacturing, where women comprise less than 25 percent of the workforce. Jobs would provide long-term employment, they generate pay between $14 and $35 an hour, provide medical care, retirement benefits. To do that, all we would have had to do was to give governors the flexibility to direct resources to train one-stop employment center employees, help them to be trained so that they can help women find these jobs and others find these jobs. The Republican majority response? No.

The simple truth is that this bill abandons workers. It does nothing to stop these families from falling through the cracks.

Turn aside the rule. Let us pass a workforce bill that prepares our workforce and gives them the tools for economic security for themselves and for their families.

Ms. PRYCE of Ohio. Mr. Speaker, may I inquire as to how much time is remaining?

The SPEAKER pro tempore. The gentlewoman from Ohio (Ms. PRYCE) has 12 minutes remaining, and the gentleman from Massachusetts (Mr. MCGOVERN) has 9½ minutes remaining.

Ms. PRYCE of Ohio. Mr. Speaker, I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. LEVIN).

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. It is interesting that the gentleman from Ohio (Mr. BOEHNER) was asked the question. Maybe the gentlewoman from Ohio (Ms. PRYCE) can answer it. Why not let us bring up the amendment on the issue they were discussing?

And another issue that is not being brought up today that should have been is the unemployment situation in this country: 341,000 people lost their jobs in April, almost 9 million people out of work.

This Congress, this House, this majority sits idly by. There is going to be the expiration of unemployment benefits, the extended benefits the end of this month. And there is over $20 billion in the trust fund that could be applied to help these people. Oh, it is said the answer is get a job. These unemployed people are looking for a job.

A recent survey indicated that the average unemployed worker has applied for 29 jobs without finding work, and you sit idly by and do nothing. It also shows the average unemployed worker over 45 has applied for 42 jobs without finding work. Stop sitting and act on this issue.

Mr. MCGOVERN. Mr. Speaker, I yield 1 minute to the gentlewoman from Oregon (Ms. HOOLEY).

Ms. HOOLEY of Oregon. Mr. Speaker, I thank the gentleman for yielding me time.

Right now Oregon has 7.6 percent unemployment, the highest in the Nation. In March of this year food and transportation lost manufacturing jobs, 800 jobs. These hardworking men and women are not statistics. They are real people with real lives and families, and right now they are facing the prospects of not having enough money to put food on the table, and they lost their jobs through no fault of their own.

We should not cut the very initiatives that help them retain these new jobs that will pay them decent wages and offer them health benefits.

The Dislocated Worker Program of the Workforce Investment Act is critical to making sure our States have the resources to keep dislocated workers from falling through the cracks, and it is imperative that we make sure it remains a separate program because it is a training program and its needs are very different from the other two programs with which it is being combined.

I have put forth an amendment with the gentleman from New Jersey (Mr. PAYNE) that would have addressed this issue and ensure that those who are laid off can get the assistance they need to get back into the workforce. Yet the Committee on Rules refused to give the Members a chance to vote on this amendment.

Mr. Speaker, I urge my colleagues to vote against this rule.

Mr. MCGOVERN. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, if there is any issue in Congress that should rise above partisanship, it should be the principle of religious freedom. I hope every Republican and Democrat in the House before voting on this rule asks his or herself this question: Is it right that an American citizen be denied a federally funded job simply because of his or her religious faith?

If you think that is right, then you should vote for this rule because that is what this bill does. It denies American citizens publicly funded jobs simply because of their choice of religious faith. If you agree with the vast majority of Americans that it is wrong to subsidize religious discrimination with federal tax dollars, vote ''no'' on this rule.

This is more important than sticking to the sacred alter of partisanship. The issue of religious freedom should rise above that alter of partisanship. And I hope my Republican colleagues will join with Democrats and all of us today to say we are going to stand up for religious freedom during the week we are preaching it to the Iraqi citizens.

Mr. MCGOVERN. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. VAN HOLLEN).

Mr. VAN HOLLEN. Mr. Speaker, from listening to the other side, you would think that this was something that was run-of-the-mill, that we took away these protections every day and have in the past. That is just not true.

This is the first time this Congress will eliminate, delete language in our statutes, in our laws that expressly prohibits discrimination in these programs based on religion. It is the first time we will remove a protection that this body has decided is important and fundamental to American principles of operation of church and State.

As has been stated, this language was first signed into law in 1982 by Ronald Reagan. It was readopted in 1998 by this House of Representatives. And it continues to make sense to every American out there that their tax dollars should not go to discriminate when it comes to federal programs that are secular in nature.

Mr. Speaker, I am extremely disappointed that this full House is not given the opportunity to debate this full issue and vote up and down.

Mr. MCGOVERN. Mr. Speaker, may I inquire how many more speakers the gentlewoman from Ohio (Ms. PRYCE) has.

Ms. PRYCE of Ohio. Mr. Speaker, we do not have any other speakers on the floor. There may be more coming; but if the gentleman is prepared, we can close.

Mr. MCGOVERN. Mr. Speaker, I yield 3½ minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, if people want a dictionary illustration of adding insult to injury, the Republicans are providing it. They do great injury today to the principle of nondiscrimination, and they have added to that the insult of not allowing this House to debate it.

As the gentleman from Maryland (Mr. VAN HOLLEN) made clear, this is the first time we will be removing from the statute books an existing antidiscrimination provision, one that says you cannot take Federal money and then discriminate against some of the people who paid the taxes. If you are a particular organization, you can say, I do not care if you are Jewish and pay taxes or Catholic and pay taxes. I do not care if you are a Protestant and pay taxes, if you believe in abortion. I do not care if you are a Methodist and pay taxes, if you agree on evolution. We will exclude you.

It is appalling to me that they are going to be able to engineer this enormous regression in the principle of nondiscrimination without there even being a separate vote and debate. It is a tribute to the Republican majority, the most submissive body of elected officials gathered since the dissolution of the Supreme Soviet that they will ratify this decision to roll back a fundamental constitutional provision, a fundamental antidiscrimination public policy provision, and they will all march down and vote not to allow it to be debated.

The gentleman from Ohio is right. In 1965 there was an exemption for religion organizations, and it was expanded in 1972. A Senator said at the time, ''This is to keep the hands of Caesar off of the place of God.''

Now we are talking about the hands of Caesar coming to the religious institutions bearing money. And we were

saying this, if you as a religious institution want to preserve your autonomy, hire only whom you want, that is your right. But do not tell Americans of all religions to pay taxes and then take those tax dollars and say, but you are the wrong religion. You are the right religion but the wrong doctrine. And that is what this does.

It removes it from the statute books. The law now says you cannot discriminate based on religion. People have said, well, we need this so that religious organizations are not denied funds because of their name. Well, in the first place, that is up to the current administration. What is George Bush saying? Stop me before I discriminate again? If he does not want to discriminate, he has a good way to stop discriminating.

You know the person who went to the doctor and he said, Doctor, it hurts when I go like this. The doctor said, Do not go like this.

Mr. President, do not go like this. Do not discriminate. But do not take people's tax dollars and say you can only hire your own.

The question is two fold: Do we maintain the principle that if you take Federal money, if you are a religious organization and to be autonomous, that is fine? By the way, for secular purposes, remember by definition the religious group can only take Federal money for secular purposes. It would be unconstitutional as everyone acknowledges to give tax dollars to a religion for religious purposes. So the question is can a religious organization take money for secular purposes and discriminate? And we are told, well, wait, it is important for them to hold together.

It seems to me the worst thing being said about religious organizations are the people who say, you know what, if you want Baptist or Jews or Mormons or Catholics to help other people, you better not make them associate with nonbelievers. They can only help people find jobs, they can only give job training as long as they are free from the spiritual pollution of having to teach these jobs alongside nonbelievers. That is a condemnation of religion that I hope this House will not engage in, compounded by a denial of democracy on the floor of the House. To bring forward such an important issue and use your submissive majority to prevent debate is contemptible.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Arizona (Mr. SHADEGG).

(Mr. SHADEGG asked and was given permission to revise and extend his remarks.)

Mr. SHADEGG. Mr. Speaker, I rise in support of this rule and in support of the underlying legislation, and I would like to add a few comments to the topic that seems to have drawn heated debate here.

I think it is a confusing topic and one that is important that we are discussing in this debate right now and one that I believe will come up in the debate that goes forward and will no doubt be addressed in the motion to recommit which the minority will be allowed to offer.

The argument here is that the language added to this legislation somehow is inconsistent with our civil rights laws and is somehow inappropriate. I would like to address and dissect that argument.

I want to make it clear that our Nation's Constitution and our existing civil rights laws make it very clear and have since the day of their enactment that religious organizations in their hiring of their own staff can, in fact, discriminate based on religion. That is a provision that has been scrutinized by the United States Supreme Court and upheld by a unanimous United States Supreme Court, so that, if a Christian church wants to say that in hiring its minister it chooses to hire a Christian minister, it can do that. And the Supreme Court has said it may do so.

In those civil rights laws there is no mention of Federal money. The reason we have those laws extended into all sectors of employment is not just where there is Federal money involved, but we have our discrimination laws extended through commerce. If it is interstate commerce, then those civil rights laws apply and they should. But I want to make very clear that all nonprofits that have a mission are entitled to discriminate based on that mission. That is to say, if a particular group that supports abortion and is involved in that activity wants to, it can choose not to hire someone who is rabidly prolife. A group that supports the environment and cleaning up the environment can choose not to hire on to its staff someone who is rabidly against cleaning up the environment. That is a privilege enjoyed by all nonprofits under our current law.

What this bill does, and it is important to understand this, and I have a letter here from the Union of Orthodox Jewish Congregations of America that makes this explanation very clear: what this bill does is say a very narrow exception for religious organizations to give them the same right that all other non-religious organizations have when they are performing services. Currently, we do not say to Planned Parenthood, if you take money from the Federal Government you must hire someone who is pro-life. But we do say under the current version of this law, if you are a faith-based organization and you want to provide, for example, job training services, then you must hire all-comers, people who even disagree with your fundamental beliefs.

The reality is this is about discrimination, but it is about the discrimination that exists in current law. Current laws prohibit religious organizations and only religious organizations from saying they have the right to choose to hire people who happen to share their values. We do not deny that right to Planned Parenthood. We do not deny that right to the Sierra Club. We do not deny that right to any other group, and we ought not to deny that right to a faith-based organization providing its services.

Mr. MCGOVERN. Mr. Speaker, I yield 30 seconds to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, if I had an indefensible point I would not yield either, despite all the time they have.

If, in fact, a religious organization get money for job training, they have a right to refuse to hire someone who does not believe in job training. If they have hired because they are going to try and fight drug addiction, they do not have to hire someone who is for drug addiction.

If the gentleman thinks I am going to yield him after he refused to yield to me when he has all the time and I do not, let him get some more time from his side which has the extra time and is sitting on it, and I will debate him.

The fact is that any organization has the right to deny people a job if they disagree with the job for which they are being hired. So, no, you do not have to hire someone who disagrees with what you are being hired for. That is totally not the case. And by the way, this law about discrimination does apply across the board.

Mr. MCGOVERN. Mr. Speaker, I do not know if the gentlewoman from Ohio (Ms. PRYCE) would like to yield to the gentleman from Arizona (Mr. SHADEGG) so the gentleman from Arizona and the gentleman from Massachusetts (Mr. FRANK) can continue this dialogue.

Ms. PRYCE of Ohio. Mr. Speaker, we are reserving our time.

□ 1130

Mr. MCGOVERN. Mr. Speaker, I yield myself the remaining time.

Mr. Speaker, I will urge Members to vote ''no'' on the previous question. If the previous question is defeated, I will offer an amendment to the rule that will make in order the Van Hollen amendment that was offered in the Committee on Rules last night and defeated on a party-line vote.

This very worthy amendment restores current law, which prohibits the use of Federal funds to discriminate in hiring based on religion. It will do this by striking the offending language from the bill.

Mr. Speaker, it is astounding to me that in the 21st century we would turn back the clock and allow American taxpayer dollars to be used to discriminate against our own citizens based on their religious beliefs.

This is 2003. I had hoped that we had moved beyond refusing to hire someone because they are Catholic or Jewish or Muslim or Presbyterian or whatever. This bill returns us to the bad old days.

The Van Hollen amendment would strike this offensive provision, and it deserves a vote by this House. This bill

is supposed to be about helping our unemployed workers, not about giving taxpayer money to organizations that discriminate. It is absolutely critical that we put aside partisan differences and give Members the chance to delete this language.

Vote ''no'' on the previous question so we can take up this vital amendment. I want to point out that a ''no'' vote will not stop us from considering this legislation. However, a ''yes'' vote will deny us the opportunity to vote on this terrible language. This is the only opportunity that the House will have to strike this provision from the bill.

Again, I would urge my colleagues to vote ''no'' on the previous question.

Mr. Speaker, I ask unanimous consent to insert the text of the amendment and extraneous materials in the RECORD immediately prior to the vote on the previous question.

The SPEAKER pro tempore (Mr. ADERHOLT). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MCGOVERN. Mr. Speaker, I yield back the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself the remaining time.

In conclusion, this is a fair rule which allows us to move on to the task at hand, strengthening the workforce and equipping the worker with the knowledge and skills needed to succeed.

As I said earlier, an unlimited supply of jobs would not do our economy much good without workers to fill those positions. Strengthening America's economy requires both good jobs and good workers; and today, we are focused on the worker.

My colleagues on the other side of the aisle would pick this apart and stand in the way of progress for America's workers. Nothing new. We see it today, we will see it tomorrow, but I ask my colleagues to put America's workers first, support this rule, and pass the Workforce Reinvestment and Adult Education Act.

The material previously referred to by Mr. MCGOVERN is as follows:

At the end of the resolution add the following new section:

''SEC. 2. Notwithstanding any other provision in this resolution it shall be in order to consider the further amendment printed in Sec. 3 of this resolution, if offered by Representative Van Hollen of Maryland or a designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for 60 minutes equally divided and controlled by the proponent and an opponent;''

SEC. 3. Page 91, strike lines 9 through page 92, line 3 (and renumber subsequent sections and conform the table of contents accordingly).

Ms. PRYCE of Ohio. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MCGOVERN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The SPEAKER pro tempore. Pursuant to clauses 8 and 9 of rule XX, this 15-minute vote on ordering the previous question on House Resolution 221 will be followed by a 5-minute vote, if ordered, on the question of adopting the resolution and by two additional 5-minute votes on the remaining motions to suspend the rules that were debated yesterday.

The vote was taken by electronic device, and there were—yeas 222, nays 199, not voting 13, as follows:

[Roll No. 170]

YEAS—222

Aderholt
Akin
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bereuter
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole
Collins
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Everett
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Goss
Granger
Graves
Green (WI)
Greenwood
Gutknecht
Hall
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Isakson
Issa
Istook
Janklow
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCotter
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller (MI)
Moran (KS)
Murphy
Musgrave
Myrick
Nethercutt
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Porter
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Upton
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NAYS—199

Abercrombie
Ackerman
Alexander
Allen
Baca
Baird
Baldwin
Ballance
Becerra
Bell
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Case
Clay
Conyers
Cooper
Costello
Cramer
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gonzalez
Gordon
Green (TX)
Grijalva
Gutierrez
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kleczka
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velazquez
Visclosky
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—13

Andrews
Clyburn
Combest
DeLay
Dingell
Feeney
Fletcher
Gephardt
Gibbons
Hyde
Miller, Gary
Moran (VA)
Schrock

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. ADERHOLT) (during the vote). Members are advised 2 minutes remain to vote.

□ 1152

Messrs. BOUCHER, MCINTYRE, CASE, CROWLEY and Ms.

VELÁZQUEZ changed their vote from ''yea'' to ''nay.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MCGOVERN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clauses 8 and 9 of rule XX, the vote on the question of adopting the resolution will be followed by one additional 5-minute vote on the motion to suspend the rules and pass H.R. 874 that was debated yesterday.

The remaining suspension on House Resolution 213 will be taken later today.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 221, noes 196, not voting 17, as follows:

[Roll No. 171]

AYES—221

Aderholt
Akin
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bereuter
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole
Collins
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Everett
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Goss
Granger
Graves
Green (WI)
Greenwood
Gutknecht
Hall
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Isakson
Issa
Istook
Janklow
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCotter
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller (MI)
Moran (KS)
Murphy
Musgrave
Myrick
Nethercutt
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Porter
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Upton
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOES—196

Abercrombie
Ackerman
Alexander
Allen
Baca
Baird
Baldwin
Ballance
Becerra
Bell
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Case
Clay
Conyers
Cooper
Costello
Cramer
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gonzalez
Gordon
Green (TX)
Grijalva
Gutierrez
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kleczka
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velazquez
Visclosky
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—17

Andrews
Clyburn
Combest
Cox
DeLay
Dingell
Feeney
Fletcher
Gephardt
Gibbons
Hyde
Miller, Gary
Ortiz
Reyes
Rodriguez
Schrock
Stark

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. ADERHOLT) (during the vote). Members are advised 2 minutes remain to vote.

□ 1200

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1200

RAIL PASSENGER DISASTER FAMILY ASSISTANCE ACT OF 2003

The SPEAKER pro tempore (Mr. ADERHOLT). The unfinished business is the question of suspending the rules and passing the bill, H.R. 874.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. QUINN) that the House suspend the rules and pass the bill, H.R. 874, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 414, nays 5, not voting 15, as follows:

[Roll No. 172]

YEAS—414

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Clay
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)

Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum
McCotter
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—5

Flake
Hinchey
McDermott
Paul
Stark

NOT VOTING—15

Andrews
Clyburn
Combest
DeLay
Dingell
Feeney
Fletcher
Gephardt
Gibbons
Hyde
McCarthy (MO)
Miller, Gary
Pearce
Schrock
Smith (TX)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). The Chair advises that there are less than 2 minutes remaining in this vote.

□ 1208

Mr. GEORGE MILLER of California changed his vote from ''nay'' to ''yea.''

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. GIBBONS. Mr. Speaker, on rollcall Nos. 170, 171, and 172, I was detained in a closed intelligence briefing. Had I been present, I would have voted ''yea.''

PERSONAL EXPLANATION

Mr. FLETCHER. Mr. Speaker, on Thursday, May 8, 2003, had I been present for rollcall vote Nos. 170, 171, and 172, I would have voted the following way: rollcall vote No. 170—''aye''; rollcall vote No. 171—''aye''; and rollcall vote No. 172—''aye.''

GENERAL LEAVE

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1261.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

WORKFORCE REINVESTMENT AND ADULT EDUCATION ACT OF 2003

The SPEAKER pro tempore. Pursuant to House Resolution 221 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1261.

□ 1208

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1261) to enhance the workforce investment system of the Nation by strengthening one-stop career centers, providing for more effective governance arrangements, promoting access to a more comprehensive array of employment, training, and related services, establishing a targeted approach to serving youth, and improving performance accountability, and for other purposes, with Mr. LAHOOD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. GEORGE MILLER) each will control 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. BOEHNER).

Mr. BOEHNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as we stand here today, hundreds of thousands of Americans are searching for good, stable new jobs. The unemployment rate in April rose to 6 percent. As the economy works toward recovery, hundreds of thousands of Americans are searching for jobs and careers that can help them ensure security and safety for their families. The President has made it clear that we need more jobs and we need a stronger economy. The backbone of economic growth is a strong workforce. As we move towards enacting the President's jobs and growth initiative this week, we also have a chance to strengthen job training opportunities for American workers.

The legislation before us is H.R. 1261, the Workforce Reinvestment and Adult Education Act. I want to commend the gentleman from California (Mr. MCKEON), the subcommittee chairman, for his leadership in bringing this bill to the floor. The bill would reauthorize and strengthen the Workforce Investment Act, or WIA, major legislation passed 5 years ago that provided important reforms to Federal job training programs. Prior to 1998, the Nation's job training system was a mess. It was fragmented, contained overlapping programs, and did not serve anyone very well, job seekers or employers. WIA consolidated employment and training services at the local level and produced a more unified workforce development system.

WIA provides funding for States and local communities to establish one-stop shops for workers seeking new jobs and new careers. Through the WIA system, job seekers now have access to labor market information, job counseling and job training to help them get back on their feet. WIA has generally worked well, but it could work even better. Duplication and confusion are keeping the WIA system from reaching its true potential for American workers. Duplication of services under the current law results in significant resources being squandered, resources that could be used to help those in need at a time when they need the help most. Overlap in training programs under the current WIA law has contributed to the growth of a confusing patchwork at the State and local level. Governors and State and local officials need the flexibility to target these resources toward the unique needs of the men and women in their communities.

The legislation before us would give our Nation's Governors and communities new tools to meet the unique needs of these people that they serve. It would streamline the bureaucracy to give workers better access to WIA benefits. Congress has an obligation this year to improve worker access to these WIA benefits and provide Americans with an even stronger job training system at a time when it is needed most.

State and local communities should be given greater flexibility to tailor their WIA systems to their own unique

needs. Currently, the WIA adult, WIA dislocated worker, and Wagner-Peyser funding streams serve very similar populations. Combining these funding streams into a single grant, as proposed in this bill, would result in more effectiveness at the State and local level and significantly greater efficiency for workers searching for new jobs and new careers. It would also give States and local authorities greater flexibility to integrate WIA with their welfare-to-work programs. The bill also strengthens adult education by focusing on core skills such as reading and math. Workers need these building blocks to thrive in a knowledge-driven economy.

Lastly, I would note that the bill allows faith-based institutions to be included in the Federal worker relief system.

□ 1215

Faith-based institutions have a proven track record of helping people find jobs, but they are essentially barred from the current WIA system simply because they have religious identities, and this is unfortunate and unnecessary because under the Civil Rights Act of 1964 and as amended in 1972, faith-based organizations are already explicitly allowed to hire on a religious basis. These outdated barriers should be removed to ensure that every available resource is being committed in the effort to help Americans find jobs.

The bill before us simply reiterates the existing exemption that religious organizations have had for more than three decades under the civil rights laws. Title VII of the Civil Rights Act of 1964 and as amended in 1972 reads as follows: ''(These requirements) shall not apply . . . to a religious corporation, association, educational institution, or society with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution, or society of its activities.''

This portion of the Civil Rights Act, which has been upheld by the U.S. Supreme Court, explicitly allows faith-based organizations to hire on a religious basis and any Federal legislation governing Federal social service funds should continue to protect the rights of religious organizations to do so. The measure before us simply applies the same standard to the Workforce Investment Act so that every available resource is being tapped to help Americans find jobs. If we do not make this change, we are essentially telling out-of-work Americans that they deserve something less than 100 percent of our support.

I think that would be a horrible message to send. Workers and families are the backbone of our economy. The backbone of economic growth is a strong workforce. Congress has an obligation to improve worker access to the benefits that the Workforce Investment Act offers and to provide Americans with an even stronger job-training system again when it is needed most.

Passing this bill will send another clear message to the American people that we are taking action on jobs and the economy. And again I want to commend the gentleman from California (Mr. MCKEON) for his excellent work in bringing this bill to the floor.

Mr. Chairman, I reserve the balance of my time.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California (Ms. WATSON).

(Ms. WATSON asked and was given permission to revise and extend her remarks.)

Ms. WATSON. Mr. Chairman, I rise in strong opposition to H.R. 1261.

I rise in strong opposition to H.R. 1261. Mr. Chairman, similar to the IDEA Reauthorization last week, we are again presented with a subpar rule and a subpar bill. The Committee did not allow us to vote on and discuss key amendments which would have greatly improved this measure.

I offered an amendment that was rejected by the Rules Committee yesterday that would have specified that local WIA boards may use funds to carry out training programs for displaced homemakers and nontraditional training for women. These are two existing programs that have been crucial to low-income women's economic independence and self-sufficiency. Since more than 60 percent of WIA recipients are women, the use of WIA funds for these programs would have provided necessary training opportunities, counseling, and services for WIA recipients to learn the necessary skills in obtaining and keeping jobs.

Mr. Chairman, this bill fails workers, attacks our Veterans and erodes our civil rights laws. An amendment offered to extend Federal unemployment benefits for newly unemployed workers and for those workers who have previously exhausted their unemployment benefits was not allowed. Also defeated was an amendment which would have restored current law prohibiting the use of Federal funds to discriminate in hiring based on religion, as well as an amendment to strike the language in the bill that allows governors to take money from Veterans and dislocated worker programs to pay for infrastructure costs for one-stop centers.

The Workforce Reinvestment and Adult Education Act is supposed to provide job opportunities for our nation's youth and extend educational opportunities for adults. The bill we have before us does not uphold this commitment. H.R. 1261 cuts job opportunities for youth, shifts critical resources away from career preparation and summer jobs, eliminates the successful Youth Opportunity Grants and reduces targeting of resources to poor communities.

In a time of economic downturn and a rising unemployment rate, it is our duty to provide the necessary funds to boost our economy and safeguard our future. We can increase the effectiveness and outreach of boards by increasing funding to local boards. We must give local leaders the opportunity to shape best use of resources to their communities.

Mr. Chairman, H.R. 1261 does not cut it. I urge my fellow colleagues to vote no on this bill.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield myself 4 minutes.

I rise in opposition to H.R. 1261. This is the wrong bill being considered at the wrong time for the wrong reasons. This bill fails to extend unemployment benefits, it fails to create jobs, and it fails to stimulate the economy.

This economy is in the grips of a devastating economic stagnation, and it is now clear to everyone that the President's economic policies have utterly failed to date to create new jobs, they fail to stimulate new business growth, and they have richly succeeded in turning historic Federal surpluses into staggering deficits.

Unemployment is at 6 percent. That means that almost 9 million Americans are officially unemployed and another 9 million are either working part time because they cannot find full-time work or they are so completely discouraged that they have stopped looking for work. The Department of Labor's own data shows that there are three job seekers for every job available today. And yet this legislation comes forth and begins to unravel what has been a carefully constructed job-training program over the last 20 years on a bipartisan basis. It does so by undermining the ability of workers who are dislocated and others to get the services that they need to go back into the job market. But it also does it because of the insensitivity of this administration, because in this year, in this last year, as hundreds and hundreds of thousands of Americans join the ranks of the unemployed, this administration and this Congress cut $650 million of the programs under WIA. The President's budget this year suggests another $200 million in cuts.

So while they talk about the block grant and they talk about efficiencies, let us understand what they are doing. As the ranks of the unemployed grow in staggering numbers, there will be fewer resources available to help those individuals get back into the job market. There will be fewer resources available to help the 6 percent of Americans who are unemployed, to the 4 million Americans who are underemployed and are looking for longer hours.

Payroll employment has not been this depressed since the Great Depression of the 1930s, and why is that? Because there is not enough demand in the economy. But unfortunately tomorrow the Republicans will give us an economic program based upon tax cuts for the wealthy that most economists in the country have already said while they may agree with the tax cuts, it will not stimulate the economy. It is still questionable whether or not the Democrats will be able to put forth their program which economists tell us will create 1 million new jobs this year.

This legislation, because it is within the jurisdiction of the committee and our ability, could have also extended unemployment benefits for those who

are about to run out on May 31. But unfortunately the Republican leadership of the committee would not support that amendment and the Republican Committee on Rules would not make it in order.

So as we stand here in these dark times for unemployed American families who do not know yet whether or not unemployment benefits are going to be extended at the end of this month, where they will be playing with whether or not we will extend them, we know that within the Republican part the last time there was a huge amount of opposition to the extension of the unemployed benefits, that many people were lost because of the gap in that coverage. But this legislation is silent on that issue.

This legislation is like a narcotic. It wants to say we are moving around the structure of WIA, we are cutting the funding of WIA, but things are going to get better for the unemployed in this country. It is just simply not so because the Bush economy has been so terribly devastating to so many segments of the economy, whether it is in manufacturing, whether it is in high tech, whether it is in services, whether it is in transportation, whether it is in accommodations, and this President has yet to take a single step. Yes, he got his tax cut his first months in office. He has lost 2.5 million jobs since then, since then. That did not work. What he is suggesting is that we do more of the same. That is not an answer for these desperate families who are trying to hold themselves together through these dark economic times.

Mr. BOEHNER. Mr. Chairman, I yield 2 minutes to the gentlewoman from Tennessee (Mrs. BLACKBURN), a member of the committee.

Mrs. BLACKBURN. Mr. Chairman, I rise today to express my support for H.R. 1261, the Workforce Reinvestment and Adult Education Act of 2003. This bill has a directed focus: Strengthening local participation and streamlining the current WIA funding process. The primary purpose is to achieve more efficient and results-oriented services for the program's participants. This is important because in the past the WIA system has been hampered by duplicative and redundant bureaucracy, preventing it from being as effective as it should be for retraining workers.

WIA provides workforce services in programs through One-Stop Career centers. These centers have several important goals. They offer information on jobs, provide education and training resources, and aid employee retention. Further, they train workers in occupational skills needed to get a job, or for those already employed the centers help workers acquire the skills necessary to move upward and on to higher paying jobs.

Last year alone over 30,000 Tennesseans enrolled for workforce investment services through 14 One-Stop Career Centers and the 55 affiliate sites located throughout the State. This bill strengthens the mission of these centers by playing a critical role in helping people who seek to improve their skills, their jobs, their careers and their incomes. It provides them with the tools and training necessary to be competitive in the 21st century workforce.

Further, it strengthens education programs by providing a way to enhance and refresh competency skills. It is my firm belief that with the employment services the centers provide, Tennessee workers will have access to the training needed to thrive in an ever-increasing technology-driven economy.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan (Mr. KILDEE), a member of the Committee on Education and the Workforce.

Mr. KILDEE. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in strong opposition to this bill. In 1998 the gentleman from California (Mr. MCKEON) and I brought a bipartisan WIA bill to this House. Unfortunately, this is not the case today. The key failure of this legislation is that it does not respond to the economic realities that American families are facing today. We have 8.8 million individuals who are out of work. These are real people with names. We have growing budget deficits projected to top a half trillion dollars this fiscal year. Most alarming is the fact that three unemployed individuals are competing for every job.

In light of these dire economic conditions, I have grave concerns about the bill before us today. This bill unravels the very fabric of our Federal job training system. First, the proposal would eliminate the employment service, the program which matches those looking for work with jobs. The bill also block grants our job training programs. As our economy continues its downturn, it is extremely shortsighted to eliminate the function that matches jobs and individuals looking for work.

I must stress how disappointed I am that the Committee on Rules did not make either of my amendments in order to extend unemployment benefits. The House is not responding to the needs of the American workers by denying the debate on these amendments. The families of unemployed workers are struggling to ensure that they can afford their rent and put food on the table. We should not ignore the needs of these families. Where is the compassion of this Congress? I certainly can see the conservatism, but I do not see the compassion.

This bill also allows governors to take funding from veterans programs, programs serving individuals with disabilities, and other partner programs to fund one-stop infrastructure costs by also eliminating their seat on local workforce boards.

I am aware that an amendment may be offered today to cap the amount of funds that can be taken, but this amendment is deficient. This amendment is inadequate and will still place these programs and the services they provide at risk.

Lastly, Mr. Chairman, this legislation repeals existing civil rights protections. Under current law faith-based organizations do receive Federal funds and do an admirable job providing job training services. Unfortunately, the Republican bill would allow for these organizations to refuse to hire individuals due to their faith for positions paid for with Federal dollars.

Mr. Chairman, this bill does not respond to the needs of unemployed individuals and individuals with disabilities seeking to return to the workplace. In fact, it undermines the progress we have made under WIA thus far. I regret that the Committee on Rules has prevented us from responding to the real needs of American workers.

I urge opposition to final passage of this legislation.

Mr. BOEHNER. Mr. Chairman, I yield 6 minutes to the gentleman from California (Mr. MCKEON), the father of the Workforce Investment Act of 1998.

Mr. MCKEON. Mr. Chairman, I rise in strong support of H.R. 1261, and I want to thank the gentleman from Ohio (Mr. BOEHNER), chairman, for his support and his leadership on this bill, and the committee in general.

Simply put, H.R. 1261 will help strengthen America's economy. For example, this important bill includes amendments to Title I of the Workforce Investment Act of 1998, which provides for the Nation's one-stop workforce development system. The bill also contains the Adult Basic Education Skills Act, which reauthorizes State programs for adult education. It also would reauthorize the Rehabilitation Act of 1973, which provides services to help individuals with disabilities become employable and achieve full integration into society.

Last week the Department of Labor released updated economic figures showing that the Nation's unemployment rate for April rose to 6 percent, its highest level since the 2001 recession, matching the rate that occurred this past December. With the April decline of 48,000 jobs, the fall in payroll employment over the past 3 months reached 525,000 jobs. Payroll employment has declined by 2.1 million jobs since the beginning of the recession.

□ 1230

With hundreds of thousands of Americans searching for new jobs, we must take action to strengthen the job training opportunities for American workers.

The Workforce Reinvestment and Adult Education Act of 2003 builds upon and improves systems created in the Workforce Investment Act of 1998, which consolidated and integrated employment and training services at the local level in a more unified workforce development system. One of the hallmarks of the new system is that, in

order to encourage the development of comprehensive systems that improve services to both employers and job seekers, local services are provided through a one-stop delivery system. At the one-stop centers, assistance ranges from core services, such as job search and placement assistance, access to job listings, and an initial assessment of skills and needs, intensive services such as comprehensive assessments and case management, and, if needed, occupational skills training.

Even though States and local areas have created comprehensive services and effected one-stop delivery systems, there have been challenges with the system. H.R. 1261, the Workforce Reinvestment and Adult Education Act of 2003, goes even further and addresses some of the challenges of the current system. For example, the bill streamlines unnecessary bureaucracy, increases effective cooperation among workforce development partners and places an increased emphasis on basic skills and adult education programs.

This bill aims to streamline current WIA funding in order to provide more efficient and results-oriented services and programs by combining the adult, dislocated and employment service funding streams into one funding stream. This will eliminate administrative duplication that remains in the system, improving services for individuals.

There is a need to increase the financial contribution of the mandatory partners in the one-stop career centers while at the same time increasing the service integration among the partner programs. This includes serving special populations, like individuals with disabilities who have unique needs, through the one-stop system.

There is also a need to simplify the local and State governance processes and to strengthen the private sector's role by ensuring greater responsiveness to local area needs. We accomplish this by removing the requirement that one-stop partner programs have a seat on the local boards. This will provide for greater representation and influence by local business representatives who currently are frequently frustrated that they are not able to connect with, or access, resources from the local boards.

We are also strengthening the membership requirements and role of the State board to increase support for partner usage in an effort to create a more coordinated approach to addressing the workforce needs of each community.

Additionally, we need to increase training opportunities by providing for greater flexibility in the delivery of core, intensive, and training service. Individuals will have the opportunity to receive the services that are most appropriate for their needs.

In short, this bill aims to empower individuals in improving their careers by strengthening the infrastructure of the one-stop delivery system, improving accountability, enhancing the role of employers, and increasing State and local flexibility.

The bill also includes the Adult Basic Skills Act to reauthorize State programs for adult education. This bill places more of a focus on the delivery of the basic skills of reading, writing, speaking, and math. Additionally, we have sought to ensure that instructional practices are based on scientific research. Provisions have been included to increase accountability for States and local providers to have measurable improvement in basic skills and GED graduates and those entering higher education.

The bill also makes improvements to the Rehabilitation Act of 1973, which provides services to help persons with disabilities become employable and achieve full integration into society. The Vocational Rehabilitation title of this bill enhances and improves transition services, which promote the movement of a student served under the Individuals With Disabilities Education Act from school to post-school activities, which we passed last week.

H.R. 1261 will strengthen our workforce development system to aid those Americans most in need of help getting back to work.

I am pleased to support this legislation and urge my colleagues to do the same.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. OWENS), a member of the committee.

(Mr. OWENS asked and was given permission to revise and extend his remarks.)

Mr. OWENS. Mr. Chairman, our Nation is faced with a few simple facts that are awesome indeed. Unemployment has risen to a high of 6 percent nationally. In New York it is 9 percent. States throughout the Nation are faced with large deficits. States and cities are being forced to lay off government workers. Since the year 2000, more than 600,000 youths have lost their jobs. The economic downturn appears unlikely to end any time in the near future, according to the majority of the expert economists.

Added to this is the fact that 90 percent of the troops on the frontline in Iraq and Afghanistan are members of working families. They come from working families. They are out there on the front lines. But nevertheless, here in America the Republican majority wages a relentless war against working families.

I call on the Republican majority to call a truce. Stop your war against working families. You started this administration with a repeal of the ergonomics laws. That was a slap in the face of all working people. You have continued by ignoring the question of raising the minimum wage. You have launched a new assault on cash payments for overtime. You have launched a new assault against OSHA.

Please, call a truce. These are working families who are as important in America as anybody, probably more important. Those are the people who supply the troops out there on the front lines.

We are totally insensitive to the fact that the Nation is diminished by the way the workers are treated. We have very serious problems that are not being addressed by the Workforce Investment Act. More money should be invested in training the workforce needed to make homeland security more than a joke. There are lots and lots of types of expertise needed that we do not have that we ought to be training for.

Let us, please, call a truce. Stop the war, stop the hostilities, against working families in America.

The CHAIRMAN. Without objection, the gentleman from California (Mr. MCKEON) will control the time of the gentleman from Ohio (Mr. BOEHNER).

There was no objection.

Mr. MCKEON. Mr. Chairman, I yield 2½ minutes to the gentlewoman from Colorado (Mrs. MUSGRAVE), one of our outstanding new freshmen.

(Mrs. MUSGRAVE asked and was given permission to revise and extend her remarks.)

Mrs. MUSGRAVE. Mr. Chairman, I would like to address my comments specifically to those who would prevent religious organizations, faith-based organizations, from receiving Federal funds to help unemployed Americans.

Religious organizations have often been denied Federal funding simply because they have a religious name or an identity or they hire on a religious basis. Our President has called on his administration and Congress to remove these barriers, and I wholeheartedly support that.

I would remind my colleagues that during the 1990s President Clinton supported four laws that allowed religious organizations to retain their right to hire on a religious basis while they were receiving Federal funds, just as Republicans are doing today, to ensure that faith-based organizations can be part of the Federal job training and worker relief system under the Workforce Investment Act. The four laws that were passed during the Clinton administration were the Substance Abuse and Mental Health Services Act, the Community Services Block Grant of 1998, welfare reform of 1996, and the Community Renewal Tax Relief Act of 2000.

Faith-based organizations cannot be expected to sustain their religious mission without the ability to employ individuals who share in their tenets and practices. It is that very faith that motivates these people to help Americans that are in trouble.

Members of faith-based organizations should enjoy the same right to associate with those that share their unique vision, just as other known-religious groups do. For example, Planned Parenthood may refuse to hire those who do not share its views about abortion. Planned Parenthood Federation

of America received over $100 million in Federal funds to support the things that they offer in fiscal years 1997, 1998, and 1999. Equal treatment requires that religious organizations, faith-based organizations, have the same right to hire on idealogical grounds.

Let us allow faith-based organizations to retain their unique character and help and assist Americans who need a job.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. DAVIS), a Member of the committee.

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Chairman, I rise in strong opposition to H.R. 1261. However, I want to first thank the gentleman from Ohio (Chairman BOEHNER) and the ranking member, the gentleman from California (Mr. GEORGE MILLER), for accepting one of my amendments in committee that would include ex-offenders as part of the hard-to-serve population who are seeking employment.

However, I am disappointed that the amendment that my colleague, the gentleman from Louisiana (Mr. BAKER), and I submitted to the Committee on Rules was not accepted. This amendment would strike sections 402 and 403, which would change the current status of the Commissioner of Rehabilitation Services Administration. Currently the commissioner is appointed by the President with the advice and consent of the Senate. This bill would change the current structure of the position from a Presidential appointee to a director appointed by the Secretary of Education. The disability community is opposed to this change because it puts additional distance between the President and the commissioner.

We are still talking about cuts; and we all know that when there are cuts, there are serious social consequences that occur when young people are not in school and not employed. We will see crime rates increase, arrests increase, drug abuse increase and gang activity increase. Young people, if they are not employed, will find something to do with their time; and I am afraid that it is not going to be productive, and, perhaps in some instances, even illegal.

One of the shocking provisions, though, of this resolution is that H.R. 1261 allows employers to discriminate based on religion when hiring for government-funded positions in job training. Our country cannot go backwards. Children learn in school about NINA laws, that is ''No Irish Need Apply,'' and now we are going back to another period. Perhaps soon we will see ''No Jews Need Apply,'' ''No Christians Need Apply,'' ''No Blacks Need Apply.'' Well, I think that that is shameful. And, yes, faith-based organizations should be allowed to do their work, but they should not be promoted to discriminate at the same time.

Mr. MCKEON. Mr. Chairman, I reserve the balance of my time.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield 3½ minutes to the gentleman from Massachusetts (Mr. TIERNEY).

Mr. TIERNEY. I thank the gentleman for yielding me time.

Mr. Chairman, I am disappointed in the legislation that we are debating today, because this could have been much better. We are only days after depressing job reports, the most depressing reports in decades, released by the Department of Labor showing we lost half a million jobs in the last 3 months. Instead, what the majority brings to this floor is an eviscerated, underfunded job training and workforce development bill.

Tomorrow, the majority will bring to the floor a bloated tax bill, overwhelmingly weighted to the wealthiest Americans; and combined, this is what you are going to call a jobs program.

Since January 2001, when the current President took office, this economy has lost 2.7 million jobs that are private sector jobs. It is a net loss of more than 74,000 jobs a month. The President is on track to have the worst job creation record for any President since World War II. Workers desperately need relief, the economy desperately needs a boost, and this bill does not provide it.

The House majority missed a tremendous opportunity to continue the 30-year record that we have had of bipartisan cooperation on the workforce investment program. But even before the House began to authorize this process, the administration and this Congress had a terrible record on job training.

Despite the rising unemployment numbers under this administration, the programs under the Workforce Investment Act have been dramatically underfunded. In fiscal year 2002, the Republican majority adopted a $300 million rescission of WIA funds; in fiscal year 2003, they cut WIA by $440 million; and they project 2004 to cut it by $265 million. This warrants concern that the rhetoric of support for these programs is not matched by the conduct.

□ 1245

This legislation does nothing to restore those cuts in critically needed training dollars, and it does nothing to restore working families as a priority.

There are at least 5 problems with this bill as it is reauthorized. Instead of restoring needed funding, it actually block grants the money, including the adult dislocated worker and employment services programs. Make no mistake, block granting these programs is nothing more than a precursor to further reducing funding for job training in the future. Combined with the history of the cuts that I just discussed, the history of block grant programs tried elsewhere that result in cuts and the history of the administration putting no money in for extension of unemployment benefits, we start to see the attitude of the majority and of this administration towards unemployed Americans and people that need to get back to work.

The block grants ignore important differences between the various types of jobs and job seekers that are currently served by the WIA programs, and they pit one group of underemployed against the unemployed trying to receive assistance.

Second, the bill will also largely replace the unemployment service program whose central mission is to facilitate the match between job seekers and employers and the Federal-State partnership that consists of more than 1,800 local offices. This approach will undermine the principle of an unbiased, nonpartisan agency to administer job referrals and assist in the payment of unemployment insurance benefits.

Thirdly, the bill denies services to in-school youth under the Youth programs title of WIA. The bill has been changed to allow 30 percent of local funding for in-school youth. I strongly support the concept that young people who leave school before finishing should be given a second chance, but I also believe it makes sense to catch as many as we can before they leave the classroom. This legislation restricts the ability of local communities to respond to their needs and it flies in the face of the kinds of effective programs that are currently being implemented.

Fourth, State governors will be allowed to take unspecified amounts of funding presently used to provide critical veterans employment, adult education, vocational rehabilitation, and other services and instead use that money for administrative costs in the one-stop centers. Federal organizations projected a $61.3 million shortfall in their outreach and job counseling and placement programs already. Vocational organizations can only service 5 percent of those who need their services already.

Finally, the bill rolls back the critical civil rights protections.

Mr. Chairman, we have again missed an opportunity to come together in a bipartisan fashion. This legislation is the worse for it, and I urge its rejection.

Mr. MCKEON. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia (Mr. ISAKSON), the vice chairman of the subcommittee and one of the great leaders on the committee.

Mr. ISAKSON. Mr. Chairman, I thank the gentleman from California (Chairman MCKEON) for introducing me, but also in particular for his leadership and work on this legislation, as well as the gentleman from Ohio (Chairman BOEHNER).

I am particularly pleased to rise in support of H.R. 1261 because of the great additional support it gives to the youth of America. This bill provides a targeted approach to serving America's youth. Specifically, it emphasizes the need to provide WIA youth funds for

out-of-school young adults. Under current law, funds for the WIA youth program are spread too thinly. Out-of-school youth are currently underserved and face significant challenges to successful employment and careers. This bill addresses the problem and provides adequate funding to alleviate the problem.

Furthermore, this bill provides that youth eligible for services under State and local programs must be of the ages between 16 and 21. A focus on this age group will provide States with the flexibility to address both in- and out-of-school youth, as well as promote dropout prevention for our Nation's youth. However, services for in-school youth must be provided during non-school hours, which may include before and after school programs. This bill promotes more productive development programs, while ensuring these training and employment programs are not substituted for school curriculum. The purpose is to enhance and supplement education, in addition to traditional schooling, to better prepare them for the jobs of the future.

Additionally, the bill makes Youth Councils optional rather than mandatory. In many areas, local Youth Councils have proven to be inefficient or ineffective in enhancing the local system's efforts to provide programs and services that successfully address youth issues. However, local boards retain the authority to create such councils if they are needed and prove effective in this area.

Finally, this important legislation provides challenge grants to cities and rural areas that have effective partnerships with education, business, and community organizations in providing youth programs and services. These areas will have the ability to compete for challenge grant targeted funding, which will further result in greater and more effective services for our youth population.

Mr. Chairman, H.R. 1261, the Workforce Reinvestment Act and Adult Education Act of 2003, is crucial to a successful and productive workforce and especially crucial to the youth of America. I am pleased to rise in support, and I encourage this House to adopt the legislation.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. NADLER).

(Mr. NADLER asked and was given permission to revise and extend his remarks.)

Mr. NADLER. Mr. Chairman, I rise today in opposition to this legislation which will enshrine the principle of religious discrimination in our laws. I can recall no greater betrayal of our Nation's family principles in my 10 years in Congress.

Supporters of this bill have held up the nonexistent problem that religious organizations allegedly cannot participate in federally funded programs. That is not true. Religious organizations have every right to participate in publicly funded programs and they have done so for many years.

This bill is also not about protecting religious freedom. Current law protects the right of institutions to select their own clergy and practice their religions free from government interference. No one is questioning that, and this bill has nothing to do with it. The question is whether you can discriminate in taxpayer-funded, nonreligious employment. Current law says you cannot. This bill says you can.

This is not equality, and it is certainly not compassion. It is simply wrong to tell those taxpayers that programs they fund can be closed to them simply because of their religious faith.

Mr. Chairman, the people I represent understand religious discrimination. Many of them came to this country because Jews or Catholics faced the evils of religious bigotry in Europe. They should not have to face it here.

This bill is also a slander against religious people across this Nation. They do not want to engage in employment discrimination; they want to help people. They are guided by their faith to make the world a better place.

Not only does this bill bring shame on our Nation and its tradition of religious tolerance, the Republican leadership has decreed that we cannot even vote on this momentous question of repealing the law against religious discrimination. They have abused their power by forbidding a discussion and a vote on this fundamental question.

What are they afraid of? Are they afraid that some of their Members might have to answer to their neighbors for casting a vote in favor of religious discrimination with taxpayers' money? I cannot blame them from hiding behind the Iron Curtain of the Committee on Rules.

Mr. Chairman, we have heard all of this before from the Republican leadership. In the Committee on the Judiciary, we were told that people should be able to discriminate against janitors and the people who serve soup to the poor simply on the basis of religion. The President has made the right to discriminate on the basis of religion the heart of his so-called ''compassionate conservatism.''

Mr. Chairman, that is not what America is about. It is not the spirit of religious charity, it is not the spirit of religious liberty. I cannot imagine voting yes on a bill to say that for the first time since the Civil Rights Act of 1964 we are going to repeal a bill, a law against religious liberty, a law that Ronald Reagan signed, a law that said you cannot discriminate with Federal taxpayer funds on the basis of religion. This bill says you can. For shame, Mr. Chairman.

Mr. Chairman, I rise today in opposition to this legislation which will enshrine the principle of religious discrimination in our laws. I can recall no greater betrayal of our nation's founding principles in my 10 years in Congress.

Proponents of this bill have held up the nonexistent problem that religious organizations cannot participate in federally funded programs that is not true. Religious organizations have every right to participate in publicly funded programs, and they have done so for many years. I have helped many of these religiously affiliated charities obtain Federal and State funding to do their good work as have most other members of this House.

This bill is also about protecting religious freedom. Current law protects the right of religious institutions to select their own clergy and practice their religions free from governmental interference. No one is questioning that, and this bill has nothing to do with it. The question is whether you can discriminate in taxpayer funded non-religious employment. Current law says you can't. This bill says you can.

This is not equality, and it is certainly not compassion. All Americans pay their taxes and, therefore, pay for these programs. It is simply wrong to tell those taxpayers that programs they fund can be closed to them simply beause of their religious faith.

Mr. Chairman, the people I represent understand religious discrimination. Many of them came to this country because Jews or Catholics faced the evils of religious bigotry in Europe. They should not have to face it here.

This bill is also a slander against religious people across this nation. They do not want to engage in employment discrimination; they want to help people. They are guided by their faith to make the world a better place.

Not only does this bill bring shame on our nation and its tradition of religious tolerance, the Republican leadership has decreed that we cannot even vote on the momentous question of repealing the law against religious discrimination. They have abused their power by forbidding a discussion and a vote on this fundamental question.

What are they afraid of? Are they afraid that some of their members might have to answer to their neighbors for casting a vote in favor of religious discrimination? I can't blame them for hiding behind the Iron Curtain of the Rules Committee. I wouldn't want to have to answer for that either.

Mr. Chairman, we have heard this all before from the Republican Leadership. In the Judiciary Committee we were told that people should be able to discriminate against janitors and the people who serve soup to the poor simply on the basis of religion. The President has made the right to discriminate over the heart of his ''compassionate conservative''.

Mr. Chairman, that's not what America is about. This is certainly not the spirit of religious charity. I urge a no vote on this bill so we can come back and do it right.

Mr. MCKEON. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina (Mr. WILSON), another new member of our committee.

Mr. WILSON of South Carolina. Mr. Chairman, I want to thank the gentleman from Ohio (Chairman BOEHNER) who has worked diligently to strengthen workforce development and job training programs by eliminating wasteful duplication and refocusing services to ensure job seekers have access to the most effective job training resources available.

The unemployment rate reached 6 percent last month. It is clear we must join together to provide out-of-work Americans with the tools and resources they need to get back to work.

Mr. Chairman, H.R. 1261 will strengthen and renew the programs at the one-stops by providing more effective and efficient services and by using resources more appropriately for Americans striving to get back to work. The one-stops I have visited are making a difference and this bill will allow them to provide even better services.

H.R. 1261 combines the three funding streams into one, which provides for streamlined program administration and more efficient service delivery at the State and local level, resulting in additional funds available for the provision of services. However, funds continue to be targeted for those needing the most critical reemployment services.

H.R. 1261 continues to require States to provide rapid response services in case of mass layoffs, plant closings, disasters, or other events that lead to substantial increases in the number of unemployed individuals.

Employment services will continue to be provided as core services at the one-stop career centers.

In addition, the bill provides an equitable distribution of funds between States and local workforce investment areas. The bill ensures that funds currently supporting the delivery of local reemployment and training services will continue.

In conclusion, the one-stop operators will no longer have to track multiple streams of funds. States and local areas will have the flexibility to tailor services to the needs of their labor market.

Mr. Chairman, I urge my colleagues to support H.R. 1261, and God bless our troops.

Mr. GEORGE MILLER of California. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. GREEN), an alumni of the committee.

Mr. GREEN of Texas. Mr. Chairman, I thank our ranking member for yielding me this time, and I appreciate the recognition as alumni of the Committee on Education and the Workforce.

I rise in opposition to the legislation which hurts our unemployment assistance programs at the worst possible time. In my hometown in Texas, the unemployment rate is 6.7 percent as of March 2003, and probably is getting worse. Across the country, there are almost 10 million Americans who are officially unemployed and many who are not counted because they have dropped off the rolls. Our unemployment system needs to be stronger, not weaker. We need extended unemployment assistance in low income areas and we need stronger employment and retraining services.

The bill here today, H.R. 1261, actually reduces vital services through the old ''block grant and privatize'' game. I heard from my constituents working in the employment services field, and they report that privatization means unresponsive low bid contractors, overworked staff, and cutting corners.

Another concern I have is with the requirement that State vocational rehabilitation plants must describe how these services are better coordinated with services under IDEA. I do not mind coordination, but not if it is a cover for funding cuts, and that is what I am concerned about.

Under this bill, one-stop centers, which have been a success across the country and also in Houston would have to use more of their Federal funds to pay for infrastructure, not for services. That is a funding cut.

With over 3 million workers projected to lose their temporary unemployment assistance from now until the end of the year, without a new job, this bill makes no sense.

In my opposition, I would also point out that this reauthorization is opposed by major Hispanic groups, including the National Council of La Raza and the Hispanic Education Coalition, because it fails to help unemployed Hispanics in America to improve their English skills and job prospects. Again, from Texas and the Southwest we have a lot of skilled workers, but if our unemployment services provide English assistance, those people could get work and even better employment. If we want Hispanic folks in the labor market, we need to make a commitment that teaching English as a second language is important. This bill allows States to teach English, but makes no real commitment of resources.

Let me just touch on the religious concern I have. We had a job fair in our district last Monday that was coordinated in a Baptist church. We already have religious institutions involved if they want to be. We had many employers, and we had our workforce commission in Texas there that organized it. It was a great example of a religious community coming out and using their facilities, and that is happening right now, and they do not have to have discrimination. It happened to be a Baptist church, but they did not say we would only hire Baptists or let only Baptists come in here and apply for these jobs.

Mr. Chairman, I am concerned this bill goes in the wrong direction, and that is why I stand in opposition.

The CHAIRMAN. Without objection, the gentleman from Ohio (Mr. BOEHNER) assumes control of the time.

There was no objection.

Mr. BOEHNER. Mr. Chairman, how much time do we have remaining on each side?

The CHAIRMAN. The gentleman from Ohio (Mr. BOEHNER) has 8½ minutes remaining, and the gentleman from California (Mr. GEORGE MILLER) has 10½ minutes remaining.

Mr. BOEHNER. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Without objection, the gentleman from Michigan (Mr. KILDEE) assumes control of the time.

There was no objection.

Mr. KILDEE. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Mr. Chairman, I thank the gentleman from Michigan for yielding me this time.

I rise with some real concerns about this bill. The Workforce Investment Act and the one-stop delivery system that it created represent the Nation's primary investment in workforce development.

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It has been successful. The one-stop centers in my district do tremendous work, but they desperately need more money to keep serving the rising, I am sorry to say, rapidly rising number of unemployed. I offered an amendment in the Committee on Rules to reverse the $650 million in cuts to the WIA programs applied over the past 2 years, over the time that the needs of unemployed people were increasing; and these cuts have been enormously harmful. Unfortunately, the Committee on Rules would not allow my amendment to come to the floor so we could debate what is an appropriate authorization here.

The bill has been rushed to the floor in a partisan fashion and, worse, fails to adequately respond to the needs of our workers. It sets the stage for reducing job training programs by taking money away from participating partners in the Workforce Investment Act such as the Veterans Employment programs, Perkins Vocational Education program, and the Vocational Rehabilitation program. And in addition, it consolidates adult employment and training programs into one block grant. And that removes many of the Federal performance and accountability measurements and standards that help make WIA a high-quality workforce program. And if that is not bad enough, the bill, as you have heard, eliminates current civil rights protections for employees of job training organizations.

For all of these reasons, I cannot support the bill. I urge my colleagues to oppose the bill so we can return it to the committee where I sit with the gentleman from California (Mr. GEORGE MILLER) and the gentleman from Ohio (Mr. BOEHNER) so that we can bring it back to the House in a bipartisan fashion as a bill that will help job seekers find jobs.

Mr. BOEHNER. Mr. Chairman, I yield 4 minutes to the gentleman from Indiana (Mr. SOUDER), another alumni of our committee.

(Mr. SOUDER asked and was given permission to revise and extend his remarks.)

Mr. SOUDER. Mr. Chairman, first I want to thank the chairman, the gentleman from Ohio (Mr. BOEHNER), and the chairman of the subcommittee, the gentleman from California (Mr. MCKEON), for their work with this bill.

It is very important that we have these job training programs updated on a regular basis; that we have the flexibility to implement, particularly when we are struggling in the Midwest and many other parts of the country.

This legislation is historic and very important. I especially want to address some misstatements that have been on the floor this afternoon regarding the faith-based provision; and it really troubles me as a committed Christian, but really anybody of devoted faith, whether you are Muslim or Jewish or whatever your background, of what seems to be a rise of antireligious bigotry in America right now. It is basically saying you are not welcome to practice your faith here.

The fact is, people of devoted faith have been involved in both the public and private arena for many years. We started this morning with a prayer. Of all the lawgivers above us, there is Moses, the only one of the lawgivers that is faced this direction on the House floor who is looking straight down, and In God We Trust. We have passed multiple times on this floor legislation that has included and allowed faith-based organizations to permit, to participate in welfare reform initiatives, in multiple other initiatives, drug treatment, where people can participate with their faith, without having to give up basic tenets of their faith, in helping the poor and practicing compassion. In fact, the courts have upheld allowing buses and computers being given to private schools. We have charitable contributions which are indirect, allowing people to keep money and exempt Tax Codes. We allow students to choose to go to a college and get a student loan which is, once again, indirect funding.

The question is, are you forcing anybody directly or indirectly into a specific program? In job training there are many choices. This bill has programs where there are many choices. Why can any of those choices not include a faith-based component? There is simply not enough money to cover all the needs in this society. When people are willing to leverage their own private dollars, to give of their own time and to work with individuals and individuals, particularly when we are targeting the poor many of these people are in urban areas. Many of the churches that are talked about are churches in my district of Ft. Wayne that are African American churches or Hispanic churches that want to get involved. They are the most trusted parts of their communities in most cases. They want to be involved in the literacy. They want to be involved in the job training. They want to be involved in the after-school programs. And nobody is saying that they are not going to be covered in this. Other people have a choice of where they want to go.

What we are saying is if a church wants to be involved, you cannot tell them who they have to have in their pulpit. You can tell them that if somebody is practicing pornography and their religion does not believe in pornography that they cannot remove that person. Under the governmental laws, you cannot remove a person for watching legal pornography. But if you are a Christian like I am and you believe the church and church organizations are supposed to reflect the glory of your Savior or in another religion that faith, to ask that faith to change their hiring practices, to change the basic tenets of their faith so that they can help the poor is to ask them to do something inconsistent.

Nobody is forcing anybody into any religion. What we are saying in the public arena where people are getting job training and so on, can one of their choices be to go to a faith of their choice where they can get the training along with the character development and with groups that are leveraging the funding.

I commend the chairmen for their initiative with this. I commend our President, and I am appalled at the religious bigotry that I hear that is really challenging far more than this bill. It is challenging our Tax Code. It is challenging other Court-upheld decisions because they in effect would force the faith-based community, those who have deeply held beliefs that we may disagree about, out of the public arena; and that is wrong.

Mr. KILDEE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. RYAN), a member of the committee.

Mr. RYAN of Ohio. Mr. Chairman, I thank the gentleman for yielding me time, and I would also like to thank the gentleman from California (Mr. GEORGE MILLER) for his leadership, as well, on this committee.

Mr. Chairman, 2.6 million job losses, and $1.2 billion trade deficit a day, $1.2 billion trade deficit a day; 2.2 million of the 2.6 million jobs that we have lost are manufacturing jobs, good-high wage, high-paying jobs with health care benefits and pensions.

This is another missed opportunity. We had an opportunity here in the committee to try to stimulate this economy, to try to make advancements; and we had an amendment on the Democratic side, $3.7 billion investment for 100,000 first responders, directly bumped into our local communities that are struggling. We are laying off police. We are laying off firefighters. We are laying off first responders; and those same first responders have also been called to serve in the war, leaving a major hole in our local communities.

In my district alone, 6.9 percent unemployment. In Ohio, 85,000 workers have exhausted their benefits, 42,000 have exhausted their benefits and are still looking for work; and the answer in this Chamber and the answer in Washington, DC is a tax cut.

In my district there is 1 percent of the taxpayers that have an income above $200,000, and 50 percent of the workers in my district will get a hundred bucks. That is not helping average people in this country. And we spew out statistics here left and right, but I am afraid that again all the faces and the names have turned into numbers in this society. And it is time to give a shot in the arm to this economy. We can address local issues. We can invest in our local community. We can employ our first responders and at the same time address the homeland securities issue. This bill is not doing it, and I urge we reject it.

Mr. KILDEE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Chairman, I rise today to speak out against H.R. 1261, a bill that represent an enormous missed opportunity for this Congress to help the growing millions of Americans looking for work or needing additional training.

The dismal job situation in this Nation could not be more clear. The unemployment rate moved back up to 6 percent in April as the private sector lost another 80,000 jobs, adding to the over 400,000 jobs lost in February and March. In all, 2.7 million private sector jobs have vanished from the economy since January of 2001. And of the 8.8 million unemployed workers in this Nation, almost 2 million are long-term unemployed and 4.4 million have been looking for work for so long that they have simply given up looking. The plight of the long-term unemployed is so bad that the New York Times has reported that in some cities support groups for unemployed workers have started holding two separate sessions: one for those who have recently lost jobs, and the other to offer special counseling needed to support those unemployed for 27 weeks or longer.

And yet in astonishing fashion, rather than invest in new jobs or extend benefits for the estimated 3.9 million out of work Americans who will be directly effected when the extended unemployment program ends this month, this bill unravels our Nation's job training system.

At a time when efforts should be made to match unemployed workers with jobs, H.R. 1261 would eliminate the Employment Service which provides these services. The bill also eliminates dedicated funding for job training assistance to dislocated and unemployed workers. Instead, H.R. 1261 block grants this funding, diluting services for millions of workers who need help to find new jobs or retrain to support their families.

As our country remains in the midst of stagnant economic growth with few jobs being created, we need a job assistance and training system that meets the needs of America's unemployed workers. H.R. 1261 is not the bill. America's workers deserve much better. I urge my colleagues to vote against final passage, so that as we understand that unemployment continues to persist that we challenge these cuts, that we challenge the reduction in job training programs, and that we move to protect those who have worked for this Nation and now deserve our help, not our contempt.

Mr. BOEHNER. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. MCKEON).

Mr. MCKEON. Mr. Chairman, in 1998 we joined together in a bipartisan fashion to pass the Workforce Investment Act. We had 150 Federal job training programs, and that did not work. We cut it down to 60. We took those 60 Federal programs and block granted them out to the States and in that legislation set up the one-stop shops. The regulations were finally written in about 2000. The one-stops have been set up. They are starting to do their job. This bill now gives us a chance to take the final three programs we were not able to consolidate last time, consolidates them, gives more money to the local areas, gives more authority and responsibility to the local areas.

The one-stops that I visited with the local governments boards are doing a great job. We need to give them additional help. That is what we do in this bill. It is unfortunate, as we can see from this debate, that we were unable to do this bipartisan. It was not our choice. We had the committee. We gave everybody the opportunity. We had full debates on a lot of the things that they are complaining about now, and we won on committee votes. It is important now that we really think about the workers and how we can help them and get this bill passed.

Mr. KILDEE. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. HINOJOSA).

(Mr. HINOJOSA asked and was given permission to revise and extend his remarks.)

Mr. HINOJOSA. Mr. Chairman, I rise in opposition to H.R. 1261.

The programs authorized under the Workforce Investment Act provide the key supports to economic self-sufficiency for many in our communities. They deserve a more serious and substantive discussion than the rushed, partisan effort that we have before us today. H.R. 1261 does not address the needs of the most significant source of growth in America's workforce—immigrants.

Consider the following: new immigrants accounted for more than 50 percent of the civilian labor force growth between 1990 and 2001. More than 40 percent of non-citizens have less than a high school education and approximately 17.8 million adults in the U.S. are limited English proficient (LEP). Many states in the south and midwest have experienced large increases in the number of LEP individuals over the past ten years. Some of these states have little experience providing services to LEP adults.

Evidence has clearly shown that investment in vocationally linked English as a second language provides excellent returns. Immigrants who are fluent in oral and written English earn approximately 24 percent more than those who lack fluency, regardless of their qualifications. Yet despite this, H.R. 1261 fails to provide these states with the assistance they need to improve their English as a Second Language (ESL) and other services to this growing population.

While many of these new Americans seek to become active participants in civic life, few have access to ESL and civics education programs that can help them understand their roles as community members. H.R. 1261 misses an opportunity to help these immigrants learn English and better understand their responsibilities as new Americans. Instead, H.R. 1261 offers divisive provisions on so-called "charitable choice", which would sanction discrimination in hiring and weaken our civil rights. This is not an investment in our workforce. It is a diversion from what our workers need. I urge my colleagues to oppose H.R. 1261.

Mr. KILDEE. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. WATERS).

(Ms. WATERS asked and was given permission to revise and extend her remarks.)

Ms. WATERS. Mr. Chairman, I rise today to oppose this bill. It is an important piece of legislation that should be passed, but not in its current form.

Mr. Chairman, our country is in trouble. On this President's watch more than 2.3 million jobs have been lost. Many workers have exhausted their unemployment benefits, and this administration is doing nothing to stimulate this economy or create jobs. Congress, over the objections of many Democrats, has stripped away job assistance programs intended to help these workers gain skills and find employment. Unfortunately, this bill keeps with this appalling record.

The bill undermines apprentice programs on which thousands of people depend for training and guidance as they begin their careers. In addition, this bill allows funding for job training programs and unemployment services to be funded in block grants rather than its current form, resulting in far less funding for these programs.

But what I am most concerned about is under this bill any religious organization that receives Federal funding for job training or other job assistance programs will be allowed to turn people away simply because of their religious beliefs. This is discrimination in its most obvious form. It should not be allowed. By passing this bill, Congress will be rolling back decades of civil rights protections. We should be ashamed that this is even being considered. And while I am at it, I too am a Christian, and I oppose this bill and any effort to weaken civil rights laws.

Mr. KILDEE. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. EMANUEL).

(Mr. EMANUEL asked and was given permission to revise and extend his remarks.)

Mr. EMANUEL. Mr. Chairman, I thank the gentleman from Michigan (Mr. KILDEE) for yielding me time.

Mr. Chairman, I rise today in opposition to H.R. 1261, the Workforce Reinvestment and Adult Education Act.

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We are in the middle of a jobs recession where 2½ million Americans have lost their jobs in the last 2 years, 2 million in the manufacturing sector alone. It is more important now than ever that we ensure that those workers who want to train up and participate in the new economy get a chance to participate in the new economy, and this job training bill and a job training program is so essential.

I want to pick up on what my colleague from California said because in 1998 we did work together in a bipartisan fashion. We put aside politics. We zoned off the area of job training and ensured that we put people first and not politics first, and that is why we got a bipartisan agreement. We should not roll back on the principle that we did in 1998. We should press forward in doing what we did in 1998 by coming together, putting people first and not exactly politics.

My view here is that tomorrow we are going to be voting on a tax cut. This bill focuses on the job market. We should not focus on the stock market at the exclusion of a job market. It needs the same attention, the same interests and the same investment that we are about to do in just the stock market alone. The job market has as much priority as the stock market.

On the budget that we passed 2, 3 weeks ago, there were about $700 million in cuts over 2 years in the President's budget in the job training area. That is not the type of investment, that is not the type of values that both parties share. People are hurting out there. My colleagues have seen them when they have gone in the one-stop shop and talked them, as I have, in this time of recession and unemployment where 2 million Americans in the manufacturing sector have lost their jobs. It is a time that we in both parties need to come together and ensure that they have the opportunity to participate in the new economy, to participate and have a future whether they are unemployed or they want to ensure they have a chance at the American dream for them and their family.

Mr. KILDEE. Mr. Chairman, I yield myself the remaining time.

Again, I regret we do not have a bipartisan bill. I regret that we did not get in the Committee on Rules the ability to offer the extension of unemployment benefits which are so sorely needed in this country. I regret the fact that we have chipped away at civil rights protections which are so precious in this country.

I would hope that somewhere along the line, before this bill is finally finished, that we get a bill that we can have support for on both sides of the aisle, but we cannot do that today.

Mr. BOEHNER. Mr. Chairman, I yield myself the balance of our time.

Let me again thank the gentleman from California (Mr. MCKEON) and all the Members who have helped to work to put this bill together.

I want to congratulate the members of our staff, Sally Lovejoy, Krisann Pearce, Stephanie Milburn, Melanie Looney, Travis McCoy, Elisabeth Wheel, and James Bergeron of the gentleman from California's (Mr. MCKEON)

staff. They have done a great job in helping us bring this bill here today.

Though the legislation is important for us as legislators, we have a chance today to provide out of work Americans with more than just a temporary fix. We can provide them with the tools they need to get and keep a job.

Some of my colleagues have talked about the need to extend unemployment insurance. Indeed, providing unemployed workers with assistance while they are out of a job is critically important, and that is why we supported and continue to support appropriate extensions of unemployment insurance.

However, the legislation before us today is an opportunity to provide job seekers with what they really need to get back on their feet. We can provide them with the tools, the training and the resources that will help them find meaningful and permanent employment. As the old cliche goes, if you give a man a fish, he eats for a day. You teach a man to fish, he will eat for a lifetime. The reason that we all know this cliche is because it happens to be true.

We have an opportunity to provide unemployed Americans with access to job training and skills that they need to provide permanent security for themselves and their families. H.R. 1261 addresses the real hardships that unemployed Americans are facing by strengthening programs and targeting most of the needed help by expanding the number of providers that can serve job seekers.

The legislation before us today happens to receive strong support from the States that are administering the programs, the local workforce boards who are directly providing these services to job seekers and the businesses who actually hire the workers. As the U.S. Chamber of Commerce has pointed out, ''As economic growth accelerates, the need for skilled workers will only increase. The Workforce Reinvestment and Adult Education Act provides increased flexibility and strives to create programs that are responsive to businesses' needs now and in the future.''

The backbone of a strong economy is a well-developed workforce, and providing job seekers with the skills and training they need to thrive will strengthen our economy and they are also needed to help us spur economic growth.

So I urge my colleagues to support this important bill, and we look forward to entertaining the number of amendments that have been made in order.

Mr. PAYNE. Mr. Chairman, I rise in my opposition to H.R. the Workforce Investment Act.

Our Nation is facing the worst unemployment since the Great Depression. The 6 percent unemployment rate that was announced the beginning of the month equals to nearly nine million American out of work.

2.7 million private-sector jobs have vanished since the Administration took office a little over 2 years ago. Over the last 3 months alone, the economy has shed 538,000 private-sector jobs.

What is the Majority's solution? To severely undermine the very Act that is designed to create opportunities for our unemployed workers.

The other side of the aisle uses words such as efficiency, steam-lining, reforms and improvements in this bill. If this bill becomes law in its present form, efficiency will result in more lost jobs, streamlining will result in fewer resources for workers, and reforms and improvements will result in privatization.

Congress has traditionally responded to the employment, training and education needs of workers by constructing bipartisan legislation to provide unemployment compensation and strengthen the job training system when needed. Instead, the bill we have on the floor today falls short of securing needed training and employment programs and fails to assist our Nation's unemployed and disadvantaged workers.

This bill does not extend unemployment benefits; it would repeal a 21-year-old civil rights standard that prohibits federally funded job training organizations from using religion as a qualification in hiring decisions.

This bill would block grants the current dislocated workers programs, adult training programs with the Employment Service. By eliminating the funding focus for the Employment Service program, it will essentially terminate the very service which connects people to jobs, a critical job assistance to the unemployed workers hardest hit by the current recession.

Participation for in school youth would be capped at 30 percent. These are the very youth that are most likely to drop out if they don't receive services such as summer employment opportunities, mentoring, and job counseling.

H.R. 1261 allows Governors to use adult education funds to pay for One Stop Center's administrative costs, thus taking critical funds from programs such as the Perkins vocational education and Vocational rehabilitation programs.

Secretary of Labor Elaine Chao has described our Nation's job training and workforce development system as ''world class''. We cannot consider our system to be world class if we allow this bill to move forward. Ladies and gentlemen, are hurting our Nation's workers by offering this bill as a solution and that is why I urge my colleagues to vote against this bill.

Mr. BACA. Mr. Chairman, I rise in opposition to H.R. 1261.

H.R. 1261 is a flawed proposal that cannot be fixed. There are too many unemployed Americans today that need services and support for their families to pass this bill.

With a suffering economy and rising unemployment, the workers under this proposal would be called upon to work harder than ever before, yet receive fewer benefits and support when they are down than ever before.

The administration and GOP have adopted the reckless policy of kicking American working families when they are down. The GOP seems to think that during this time of high unemployment, we should cut back on employment assistance and training.

This bill eliminates the Adult and Dislocated Worker Programs and the Employment Service State Grants and substitutes them with a block grant.

While the total amount for the block grant would be the same as the sum of the individual programs, the administrative changes will actually result in a net loss for beneficiaries.

Our national unemployment rate is 6 percent, but these numbers don't account for the millions that have been forced off the labor force or are not considered ''active'' enough in their job search.

Also, Republicans would have us believe that when a person's unemployment benefits expire, they are then magically employed because they are not counted as unemployed!

All of you here know how bad it is out there. We all have constituents who need work, need resources to take care of their families, and who need a helping hand.

I call on my colleagues that remember the legacy of Cesar Chavez to oppose this bill that eliminates the Migrant and Seasonal Farmworker Programs.

I call on my colleagues that care about our children to oppose this bill that starves the Youth Opportunity Grant program to death.

I call on my colleagues to oppose this reckless $700 million dollar cut to Title I programs.

This is about people! This is about the economy! This is about our children!

This is about American working families, families that have to eat and take care of their children, but that barely earn enough to pay for food, shelter, and clothing.

This piece of legislation is not an acceptable or responsible proposal to provide needed services to our Nation's unemployed. Please join me in voting no on final passage.

Ms. PELOSI. Mr. Chairman, I rise in opposition to H.R. 1261, the Workforce Reinvestment and Adult Education Act.

Today, in the middle of a recession, we should be voting for an economic plan to create jobs. My colleagues and I have proposed the Democratic Jobs and Economic Growth Plan, which would create more than one million jobs this year. Instead, tomorrow the Republican leadership will bring up a bill that gives tax cuts to the wealthy and does not create jobs.

Today, with the unemployment rate at 6 percent, we should be voting to extend unemployment benefits. Unemployment compensation immediately puts dollars in the pockets unemployed workers and helps boost the economy. Instead, today we are voting on a bill that will weaken our job training programs.

H.R. 1261 has many serious flaws. First, it would consolidate funding for services for adults, disclosed workers, and employment services into a single block grant, forcing these groups to compete against each other for assistance and likely leading to reduced funding. It would eliminate the U.S. Employment Service, which maintains a free, nationwide labor exchange that matches job seekers and employers.

This bill would allow governors to take funds from programs such as Adult Education, Veterans' Reemployment, and job training for disabled individuals to spend on infrastructure expenses at one-stop centers, The result would be reduced funding for jobs and training programs at a time when more Americans are seeking employment assistance and job training.

H.R. 1261 would also reduce accountability of training providers by eliminating federal performance standards. Furthermore, the bill

would cut back services to youth, who have been among the hardest hit by the current economic downturn.

Finally, H.R. 1261 would overturn a federal anti-discrimination policy established more than 60 years ago. At that time, President Franklin D. Roosevelt decided to forbid federal contracts from discrimination based on religion, as well as race with national origin. Following in the same tradition, the current job training law prohibits religious discrimination.

Breaking with this long commitment to civil liberties, H.R. 1261 would allow religious groups to discriminate on the basis of religion when hiring or firing staff for federally-funded social programs. It is profoundly unwise to allow the federal government to fund religious discrimination. It is bad for our churches, bad for our workforce, and bad for our society. I urge my colleagues to vote against H.R. 1261.

Mr. ACEVEDO-VILA. Mr. Chairman, I rise to commend Chairman JOHN BOEHNER and Subcommittee Chairman BUCK MCKEON for including certain language in their manager's amendment to H.R. 1261, the Workforce Reinvestment and Adult Education Act of 2003, and also Ranking Member GEORGE MILLER and Congressman KILDEE for their support in this matter. These adjustments will remove definitions from the bill that would have created ambiguity with regards to providing workforce investment funding to Puerto Rico for high school dropouts and jobless-out-of-school youth, and would likely have resulted in reduced funding.

As reported from Committee, H.R. 1261 required certain data points to be included in the allocation formula to be taken from the Current Population Survey—a survey that DOL does not conduct in the Commonwealth of Puerto Rico. The effect of this requirement would be that funding for important, youth-focused workforce training and education programs in Puerto Rico would likely be cut to these programs in Puerto Rico. While a hold harmless provision in H.R. 1261 would limit the size of any cut to these programs in Puerto Rico, the high unemployment rate of the Commonwealth emphasizes the need to obtain all intended, formulated and available funds for workforce investment.

The Workforce Investment Act (WIA) is an important program for unemployed and underemployed people in Puerto Rico and all the United States. Many people, youth and adult alike, find greater opportunity through the training, education and other benefits provided through WIA, and our economy will improve only by making such investments in our workforce.

Again, I greatly appreciate the consideration of Chairmen BOEHNER and MCKEON in making this correction to the Workforce Reinvestment and Adult Education Act. I know that their intent in passing this bill through the House is to improve the delivery of workforce investment, training and education, and to affect positive impacts on our economic situation. Certainly, the manager's amendment will improve the reauthorized Workforce Investment Act's application in Puerto Rico, and will enable more funding and workforce services to benefit high school dropouts and jobless-out-of-school youth.

Mr. LEE. Mr. Chairman, I thank my good friend from California GEORGE MILLER, a tireless advocate for working families in the Bay Area of California and all across this nation, for yield me time today.

Mr. Chairman, I rise today in strong opposition to this bill which will only exacerbate the jobs crisis in American and would repeal precious civil rights protections.

Mr. Chairman, we are in the midst of a jobs crisis—an unemployment crisis. Nine million men and women are out of work—a third of these men and women lost their livelihood since President Bush took office.

What's the Republican response to this crisis? First, denial, then waging war while ignoring the declining economy; now they offer us a one-two combination jobs loss program: first this so called Workforce Reinvestment and Adult Education Act today, followed by the irresponsible tax cut bill scheduled for consideration tomorrow.

Mr. Chairman, we need a jobs creation program, we need to extend unemployment benefits. This bill does nothing to create American jobs, does nothing to help in the short-term.

In fact, it does exactly the opposite: it ensures that workers will continue to struggle to find jobs in the long term because this bill sacrifices so many of our tired-and-true training resources. It collapses adult and dislocated training programs into one funding stream and cuts then by over $600 million from FY 02 levels. It eliminates substantial amounts for youth training programs, which is something desperately needed in my 9th Congressional District of California. And it does not go far enough to help veterans find jobs.

An unemployment crisis requires a real solution—the Republicans have offered us a jobs loss program instead. On those grounds alone I oppose this bill. But, Mr. Chairman, there is yet another reason to oppose this bill—yet another fatal flaw: it removes civil-rights protections that ban employment discrimination based on religious affiliation. It is wrong and unconstitutional for taxpayer funding to go to organizations that can hire and fire based solely on someone's religious beliefs and for this reason too, that I urge my colleagues to vote no on the underlying bill.

Mr. STARK. Mr. Chairman, I rise today in opposition to H.R. 1261, the Workforce Reinvestment and Adult Education Act.

Today's bill has nothing to do with improving or ''reinvesting'' in our workforce—far from it. Instead, the Republicans are using it to weaken worker protections and open the door to hiring discrimination while dismantling the employment service program that helps people out of work find jobs. Apparently the Republicans haven't read the latest unemployment numbers. How else can you explain being so cruel and unfair as to pull the rug out on the nation's unemployed?

Let me remind my Republican colleagues that the number of jobs in this country is at the lowest point in 41 months. April was the third straight month the economy lost jobs as the nation's unemployment jumped to 6 percent. There are now 10 million workers in America out of work. Of those, two million have been unemployed for 27 weeks or more. In fact, the average length of unemployment has risen to 20 weeks—that's the highest since 1984.

You would think that with such staggering statistics, this Republican-led Congress would be doing everything it could to bolster workforce investment. Yet, this House Republican bill cuts employment and re-employment services at the time they are needed most. It underfunds the Employment Service, Adult, and Dislocated Worker programs by consolidating them into a single block grant. This puts the burden directly on the states, exacerbating their fiscal crises and triggering layoffs among the very state employees who administer these programs that help people find work. Yet, much worse, it forces unemployed workers and welfare recipients to fight it out for a share of these limited funds.

To add insult to injury, the Republicans give states the right to waive basic worker protections that allow employees to seek redress when they've been treated unfairly. They even allow religious organizations to engage in hiring discrimination in an unholy attempt to turn back a half-century of progress in preventing workplace discrimination.

Current law prohibits employers participating in federal job training programs from discriminating based on race, color, religion, sex, national origin, age, disability, or political affiliation or belief. The Republican bill would allow the taxpayer dollars that pay for these job-training programs to go to religious organizations that blatantly discriminate in hiring based on religious beliefs. What next? Will the next Bush initiative include allowing discrimination based on race, sexual orientation or political affiliation?

The vital civil rights provision barring federally funded religious discrimination has never been controversial and has never been a partisan issue. In fact, the provision was first included in the federal job training legislation that Senator Dan Quayle sponsored. It passed through a committee chaired by Senator ORRIN HATCH and was signed by President Ronald Reagan.

Throughout its 21-year history, this civil rights provision has not been an obstacle to the participation of religiously affiliated organizations in federal job training programs. Currently, many religious organizations participate in the federal programs and comply with the same civil rights protections that apply to other employers.

But suddenly, under the leadership of the White House, we are being asked to forget the principle of equal opportunity on which our country was founded.

I'm not surprised that an amendment to restore the anti-discrimination language was defeated in committee on a party-line vote. Yesterday, Republicans refused to allow Democrats the chance to offer the same amendment on the House floor today. It seems that Republicans are not only trampling on every American's civil rights, they're preventing a fair and open democratic process.

Now is not the time to be rolling back civil rights protections and it certainly isn't the time to be short-changing the unemployed. Congress ought to be creating solutions to make it easier for folks to find jobs, not more difficult. This Republican bill is clearly not a solution. It will only create more problems for those looking for work—problems they simply don't deserve.

I urge my colleagues to vote no on H.R. 1261.

Mr. REYES. Mr. Chairman, I rise today in strong opposition to the Workforce Reinvestment and Adult Education Act of 2003.

Of particular concern to me is the devastating effect this bill would have on funding for dislocated worker programs, which are so important to workers in my district of El Paso, Texas.

El Paso has the unfortunate distinction of having the greatest number of NAFTA-related

job losses in the nation, with over 20,000 workers losing their jobs since the implementation of NAFTA almost a decade ago.

Once, El Pasoans could find employment at the textile, plastics, and electronics assembly plants in their community. For many of my constituents who have limited English proficiency and education, these jobs provided a good, living wage for workers and their families. But in the wake of NAFTA, a great number of the factories have closed, and the jobs have disappeared.

In their place, there are new employment opportunities in the service, healthcare, and high-tech industries. However, most dislocated workers are not prepared to fill these jobs without the education and training that federal dislocated worker programs provide.

Incredibly, at a time when the economy has stagnated and unemployment is on the rise, at a time when we should be doing everything we possibly can to help America's workers, the bill before us today eliminates continued dedicated federal funding for dislocated worker programs.

Mr. Chairman, this is simply the wrong bill at the wrong time. I urge my colleagues to vote no on H.R. 1261.

Mr. MORAN of Virginia. Mr. Chairman, I rise in strong opposition to the Workforce Reinvestment and Education Act.

This legislation fails to recognize what we all know: that there are over 8.3 million Americans who are out of work in this country. This is the longest stretch of job loss since the Great Depression.

With the unemployment rate now at 6 percent, it is reprehensible that this legislation, which some have said is a ''reinvestment in our nation's workforce,'' does not include an extension of federal employment benefits, especially as they are set to expire at the end of this month.

When we extended the program last January, the rate of unemployment was even lower than the rate today, and now we have reached near crisis point.

It has been estimated that more than 43 percent of unemployed workers are exhausting their state benefits without finding work, and this number will continue to climb if Congress does not address this issue soon.

This bill also does a disservice to our veterans. Many of our troops that are currently serving in the war in Iraq, will soon be returning home to an economy where jobs are disappearing at a fast rate.

Under the current bill, funds targeted toward veteran employment services would be pooled with other Workforce Investment funds and those services previously targeted to serve our troops become discretionary depending on how the individual state workforce investment board decides.

As we all know, these programs are already critically underfunded. They strive to meet the increasing demands placed upon them in an environment of increasingly inadequate resources. To be effective, these programs cannot sustain these devastating cuts.

Finally, the Workforce Reinvestment and Adult Education Act would eliminate the civil rights protections of Americans, by exempting religious organizations from anti-discrimination requirements.

The message that we are sending to the millions of Americans who are unemployed, who are veterans and those who are in need of economic assistance is that we do not care about keeping them from falling further into an economic crisis.

This bill is not a reinvestment in our workforce and fails to aid the millions of jobless Americans who need it the most.

I urge all my colleagues to vote against H.R. 1261.

Mr. HONDA. Mr. Chairman, I rise today to oppose H.R. 1261, the Workforce Reinvestment and Adult Education Act. Let us not be fooled by the title of the bill. A more accurate title would be the Workforce Divestment Act, because the legislation guts the program and removes critical civil rights protections. In a time of skyrocketing unemployment, it is shameful that the House Republicans would prefer to ignore workers who are in need of retraining and unemployment compensation and instead champion tax cuts for the most well-to-do segments of our society.

At its core, this legislation is flawed. The bill, for example, would block grant the current dislocated worker programs with adult training programs and the state employment service. As a result, the states would no longer be required to assure that adequate resources are earmarked to assist laid-off workers. Instead, unemployed workers would be pitted against low-income workers and welfare recipients in a competition for limited resources.

Equally troubling, H.R. 1261 explicitly authorizes religious organizations receiving federal funds from WIA's job training programs to discriminate against employees and job applicants based on religion. Current law prohibits participants in federal job training programs from discriminating based on race, color, religion, sex, national origin, age, disability, or political affiliation or belief. Allowing this kind of discrimination is not only wrong it is unconstitutional.

Rather than making these detrimental and indefensible changes to WIA, we should be taking up legislation that actually helps those workers impacted most in this recession—a recession the Bush administration has failed to reverse. We should be working on legislation to extend the Temporary Extended Unemployment Compensation (TEUC) program, which is currently scheduled to expire at the end of this month. We should not only extend TEUC, we should expand the program to provide a total of 26 weeks of federal extended unemployment insurance benefits to all laid-off workers, including those who have already exhausted their federal extended benefits, as well as newly laid-off individuals. If we do this, we would actually be investing in our workforce.

Mrs. CHRISTENSEN. Mr. Chairman, the reauthorization of the ''Workforce Reinvestment and Adult Education Act'' is critical to solving our nation's economic slump. The unemployment rate rose to 6.0 percent in April and the number of unemployed persons increased to 8.8 million in April. Jobless rates for adult women, teenagers, whites, African-Americans and Hispanics showed little or no change. During this time of economic recession, investing in the workforce benefits both employees and employers and strengthens our economy. Access to job training is critical for our nation's unemployed. But, H.R. 1261 is not a ''simple'' reauthorization of the Workforce Investment Act. Rather, H.R. 1261 is the beginning of dismantling the federal unemployment safety net that has served our nation for over 70 years.

There are several provisions of H.R. 1261 that are particularly troubling. The Republican bill removes nondiscrimination language from the existing law—thereby allowing organizations receiving funds under WIA to discriminate in hiring based on religion. I have received constituent letters urging a vote against H.R. 1261 because this legislation jeopardizes civil rights and religious freedoms by rolling back protection against discrimination or misuse of government funds by religious organizations.

Block granting is a bad strategy and one that we have seen often used by the Republicans. By block granting the current dislocated worker program with the adult training program and the state unemployment benefits program, welfare recipients and at-risk populations will have to compete not only with one another for much needed services, but competition would increase among programs for limited dollars. This approach weakens the individual job training programs instead of strengthening them. Restructuring WIA is not the answer to reduce our unemployment rate. Creating more jobs is the answer.

Instead of bringing up this damaging bill, the Republicans should also be bringing a bill to extend Unemployment Benefits. At the end of this month, the current Temporary Extended Unemployment Compensation program will terminate, and jobless workers who have extended their regular unemployment benefits will not be able to obtain assistance. This bill does nothing to address this issue.

The local WIA agency in my district, the U.S. Virgin Islands, has voiced concerns about the change in funding ration for youth programs under WIA. The current bill would cap participation for in-school youth at 30 percent. Under current law, both in-school and out-of-school youth are served. Services that would be dropped as a result of the Republican plan include summer employment opportunities, mentoring, and job counseling.

The reauthorization of WIA is an opportunity for Congress to address the unemployment issue in this country. Unfortunately, H.R. 1261 does not address the needs of this growing population. I urge my colleagues to vote ''No'' on the passage of H.R. 1261.

Mr. RENZI. Mr. Chairman, our nation's faith-based institutions have significant track records in meeting the training and counseling needs of citizens seeking employment.

The services provided by faith-based institutions will be a vital component to help our nation's workforce, increasing the ability of job seekers to get needed training, counseling, and prevocational services.

Unfortunately, liberal special interest groups have joined forces behind an effort to bar religious and faith-based organizations from being involved with efforts to help workers find jobs and job training. This is disgraceful.

Congress should actively encourage any effort to provide unemployed men and women with new jobs, and not look for excuses as to why qualified and proven job counseling advisors should be excluded from helping our nation.

During the 1990s, President Bill Clinton supported four laws that explicitly allow religious organizations to retain their right to staff on a religious basis when they receive federal funds—just as Republicans are proposing today. I ask my colleagues on the other side of the aisle, why are you standing now? When you sat silently in support of your past president.

This bill simply reiterates the existing exemption religious organizations have had for more than three decades under civil rights law, applying it to the Workforce Investment Act so that every available resource is being tapped to help Americans find jobs.

Faith-based organizations need to be part of the Federal job training and worker relief system under the Workforce Investment Act, and if they are excluded, that would qualify as discrimination of a criminal level.

Ms. WATSON. Mr. Chairman, I rise in strong opposition to H.R. 1261. Mr. Speaker, similar to the IDEA Reauthorization last week, we are again presented with a subpar rule and a subpar bill. The Committee did not allow us to vote on and discuss key amendments which would have greatly improved this measure.

I offered an amendment that was rejected by the Rules Committee yesterday that would have specified that local WIA boards may use funds to carry out training programs for displaced homemakers and nontraditional training for women. These are two existing programs that have been crucial to low-income women's economic independence and self-sufficiency. Since more than 60 percent of WIA recipients are women, the use of WIA funds for these programs would have provided necessary training opportunities, counseling, and services for WIA recipients to learn the necessary skills in obtaining and keeping jobs.

Mr. Chairman, this bill fails workers, attacks our Veterans and erodes our civil rights laws. An amendment offered to extend Federal unemployment benefits for newly unemployed workers and for those workers who have previously exhausted their unemployment benefits was not allowed. Also defeated was an amendment which would have restored current law prohibiting the use of Federal funds to discriminate in hiring based on religion, as well as an amendment to strike the language in the bill that allows governors to take money from Veterans and dislocated worker programs to pay for infrastructure costs for one-stop centers.

The Workforce Reinvestment and Adult Education Act is supposed to provide job opportunities for our Nation's youth and extend educational opportunities for adults. The bill we have before us does not hold this commitment. H.R. 1261 cuts job opportunities for youth, shifts critical resources away from career preparation and summer jobs, eliminates the successful Youth Opportunity Grants and reduces targeting of resources to poor communities.

In a time of economic downturn and a rising unemployment rate, it is our duty to provide for the necessary funds to boost our economy and safeguard our future. We can increase the effectiveness and outreach of boards by increasing funding to local boards. We must give local leaders the opportunity to shape best use of resources to their communities.

Mr. Chairman, H.R. 1261 does not cut it. I urge my fellow colleagues to vote no on this bill.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise in opposition to H.R. 1261, the Workforce Reinvestment & Adult Education Act of 2003.

The supposed purpose of H.R. 1261 is to authorize and allocate funds for employment, training, literacy, and vocational rehabilitation programs for adults and dislocated workers. H.R. 1261 also funds activities for low-income youth, such as tutoring and study skills training, alternative high school services, and summer youth job opportunities.

Despite these seemingly good intentions, H.R. 1261 does not adequately respond to the needs of Americans today or in the future. Rather than immediately addressing the needs of the unemployed by extending benefits or including a jobs creation package, H.R. 1261 repeals funding for vulnerable workers. H.R. 1261 puts vulnerable and unemployed Americans at risk by permitting Governors to take unspecified dollars from the pool of funds available for adult education, disability and veteran's services. Under this bill, Governors are permitted to divert unlimited funds from already depleted adult education, vocational rehabilitation, and veteran's services resources to fund infrastructure and administrative costs.

I also oppose H.R. 1261 because its provisions permit overt discrimination. Under current law, faith-based organizations are eligible to receive Federal funds on the condition that they do not discriminate. Under H.R. 1261, the nondiscriminatory requirement is removed. H.R. 1261 would permit faith-based organizations that receive Federal funds under this act to hire or fire employees based on their religion.

H.R. 1261 is also a bad bill because it compounds the problems wrought by our struggling economy. H.R. 1261 eliminates funding for dislocated workers and other vulnerable Americans. Under this bill, funding for services to dislocated workers and employment services would be consolidated into a block grant. This is very poorly timed legislation.

President Bush is calling for more than $700 million in cuts to job training programs for fiscal years 2003 and 2004. More than 2 million jobs have been lost in the last two years, more than 500,000 have been lost in the last 3 months. In Houston, where I am proud to call home, the unemployment rate is currently over 6 percent, a full percentage point higher than last year.

H.R. 1261 also caps funding for in-school youths and threatens to diminish valuable services that help these students overcome obstacles, complete high school, and succeed in the workforce. Under the current funding system, various at-risk youths received financial accommodation. The funding of those youth programs would be severely altered by the restrictive 30 percent cap.

Mr. Chairman, I oppose H.R. 1261. I want to stress that I am not alone in my opposition to this bill. H.R. 1261 is also opposed by the Paralyzed Veteran's of America, the AFL–CIO, the Communication's Workers of America, the National Rehabilitation Coalition, the Baptist Joint Committee on Public Affairs, and the American Jewish Committee. This bill cuts funding to valuable programs and allocates Federal funds to organizations given license to discriminate. I oppose this H.R. 1261 and I urge my colleagues to do the same.

Mr. BOEHNER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill shall be considered as the original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 1261

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Workforce Reinvestment and Adult Education Act of 2003''.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

SEC. 3. REFERENCES.

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Workforce Investment Act of 1998 (20 U.S.C. 9201 et seq.).

TITLE I—AMENDMENTS TO TITLE I OF THE WORKFORCE INVESTMENT ACT OF 1998

SEC. 101. DEFINITIONS.

Section 101 (29 U.S.C. 2801) is amended—

(1) in paragraph (8)(C), by striking ''not less than 50 percent of the cost of the training'' and inserting ''a significant portion of the cost of training, as determined by the local board'';

(2) by striking paragraph (13) and redesignating paragraphs (1) through (12) as paragraphs (2) through (13) respectively;

(3) by inserting the following new paragraph after ''In this title:'':

''(1) ACCRUED EXPENDITURES.—The term 'accrued expenditures' includes the sum of actual cash disbursements for direct charges for goods and services, the net increase or decrease in the amounts owed by recipients, goods and other property received for services performed by employees, contractors, subgrantees, or other payees, and other amounts becoming owned for which no current service or performance is required.'';

(4) by striking paragraph (24) and redesignating paragraphs (25) through (32) as paragraphs (24) through (31), respectively;

(5) in paragraph (24) (as so redesignated)—

(A) in subparagraph (B), by striking ''higher of—'' and all that follows through such subparagraph and inserting ''poverty line for an equivalent period;''; and

(B) by redesignating subparagraphs (D) through (F) as subparagraph (E) through (G), respectively, and inserting after subparagraph (C) the following:

''(D) receives or is eligible to receive free or reduced price lunch;''; and

(6) by striking paragraph (33) and redesignating paragraphs (34) through (53) as paragraphs (32) through (51), respectively.

SEC. 102. PURPOSE.

Section 106 (29 U.S.C. 2811) is amended by inserting at the end the following: ''It is also the purpose of this subtitle to provide workforce investment activities in a manner that promotes the informed choice of participants and actively involves participants in decisions affecting their participation in such activities.''.

SEC. 103. STATE WORKFORCE INVESTMENT BOARDS.

(a) MEMBERSHIP.—

(1) IN GENERAL.—Section 111(b) (29 U.S.C. 2821(b)) is amended—

(A) by amending paragraph (1)(C) to read as follows:

''(C) representatives appointed by the Governor, who are—

''(i)(I) the lead State agency officials with responsibility for the programs and activities that are described in section 121(b) and carried out by one-stop partners;

''(II) in any case in which no lead State agency official has responsibility for such a program or activity, a representative in the State with expertise relating to such program or activity; and

''(III) if not included under subclause (I), the director of the designated State entity responsible for carrying out title I of the Rehabilitation Act (29 U.S.C. 701 et seq.);

''(ii) the State agency officials responsible for economic development;

''(iii) representatives of business in the State who—

''(I) are owners of businesses, chief executive or operating officers of businesses, and other business executives or employers with optimum policy making or hiring authority, including members of local boards described in section 117(b)(2)(A)(i);

''(II) represent businesses with employment opportunities that reflect employment opportunities in the State; and

''(III) are appointed from among individuals nominated by State business organizations and business trade associations;

''(iv) chief elected officials (representing both cities and counties, where appropriate);

''(v) representatives of labor organizations, who have been nominated by State labor federations; and

''(vi) such other representatives and State agency officials as the Governor may designate.''; and

(B) in paragraph (3), by striking ''paragraph (1)(C)(i)'' and inserting ''paragraph (1)(C)(iii)''.

(2) CONFORMING AMENDMENT.—Section 111(c) (29 U.S.C 2811(c)) is amended by striking ''subsection (b)(1)(C)(i)'' and inserting ''subsection (b)(1)(C)(iii)''.

(b) FUNCTIONS.—Section 111(d) (29 U.S.C. 2811(d)) is amended—

(1) by amending paragraph (3) to read as follows:

''(3) development and review of statewide policies affecting the integrated provision of services through the one-stop delivery system described in section 121, including—

''(A) the development of criteria for, and the issuance of, certifications of one-stop centers;

''(B) the criteria for the allocation of one-stop center infrastructure funding under section 121(h), and oversight of the use of such funds;

''(C) approaches to facilitating equitable and efficient cost allocation in one-stop delivery systems; and

''(D) such other matters that may promote statewide objectives for, and enhance the performance of, one-stop delivery systems within the State;'';

(2) in paragraph (4), by inserting ''and the development of State criteria relating to the appointment and certification of local boards under section 117'' after ''section 116'';

(3) in paragraph (5), by striking ''sections 128(b)(3)(B) and 133(b)(3)(B)'' and inserting ''sections 128(b)(3) and 133(b)(3)''; and

(4) in paragraph (9), by striking ''section 503'' and inserting ''section 136(i)''.

(c) ELIMINATION OF ALTERNATIVE ENTITY AND PROVISION OF AUTHORITY TO HIRE STAFF.—Section 111(e) (29 U.S.C. 2821(e)) is amended to read as follows:

''(e) AUTHORITY TO HIRE STAFF.—The State board may hire staff to assist in carrying out the functions described in subsection (d).''.

SEC. 104. STATE PLAN.

(a) PLANNING CYCLE.—Section 112(a) (29 U.S.C. 2822(a)) is amended by striking ''5-year strategy'' and inserting ''2-year strategy''.

(b) CONTENTS.—Section 112(b)(17)(A) (29 U.S.C. 2822(b)(17)(A)) is amended—

(1) in clause (iii) by striking ''and'';

(2) by amending clause (iv) to read as follows:

''(iv) how the State will serve the employment and training needs of dislocated workers (including displaced homemakers and formerly self-employed and transitioning farmers, ranchers, and fisherman) low income individuals (including recipients of public assistance), homeless individuals, ex-offenders, individuals training for nontraditional employment, and other individuals with multiple barriers to employment (including older individuals);''; and

(3) by adding the following new clause after clause (iv):

''(v) how the State will serve the employment and training needs of individuals with disabilities, consistent with section 188 and Executive Order 13217 (relating to community-based alternatives for individuals with disabilities) including the provision of outreach, intake, assessments, and service delivery, the development of performance measures, and the training of staff; and''.

(c) MODIFICATION TO PLAN.—Section 112(d) (29 U.S.C. 2822(d)) is amended by striking ''5-year period'' and inserting ''2-year period''.

SEC. 105. LOCAL WORKFORCE INVESTMENT AREAS.

(a) DESIGNATION OF AREAS.—

(1) CONSIDERATIONS.—Section 116(a)(1)(B) (29 U.S.C. 2831(a)(1)(B)) is amended by adding at the end the following clause:

''(vi) The extent to which such local areas will promote efficiency in the administration and provision of services.''.

(2) AUTOMATIC DESIGNATION.—Section 116(a)(2) (29 U.S.C. 2831(a)(2)) is amended to read as follows:

''(2) AUTOMATIC DESIGNATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B) of this paragraph and subsection (b), the Governor shall approve a request for designation as a local area from—

''(i) any unit of general local government with a population of 500,000 or more; and

''(ii) an area served by a rural concentrated employment program grant recipient that served as a service delivery area or substate area under the Job training Partnership Act (29 U.S.C. 1501 et seq.),

for the 2-year period covered by a State plan under section 112 if such request is made not later than the date of the submission of the State plan.

''(B) CONTINUED DESIGNATION BASED ON PERFORMANCE.—The Governor may deny a request for designation submitted pursuant to subparagraph (A) if such unit of government was designated as a local area for the preceding 2-year period covered by a State plan and the Governor determines that such local area did not perform successfully during such period.''.

(b) REGIONAL PLANNING.—Section 116(c)(1) (29 U.S.C. 2831(c)(1)) is amended by adding at the end the following: ''The State may require the local boards for the designated region to prepare a single regional plan that incorporates the elements of the local plan under section 118 and that is submitted and approved in lieu of separate local plans under such section.''.

SEC. 106. LOCAL WORKFORCE INVESTMENT BOARDS.

(a) COMPOSITION.—Section 117(b)(2)(A) (29 U.S.C. 2832(b)(2)(A)) is amended—

(1) in clause (i)(II), by inserting '', businesses that are in the leading industries in the local area, and large and small businesses in the local area'' after ''local area'';

(2) by amending clause (ii) to read as follows:

''(ii) superintendents of the local secondary school systems and the presidents or chief executive officers of postsecondary educational institutions (including community colleges, where such entities exist);'';

(3) in clause (iv), by striking the semicolon and inserting ''and faith-based organizations; and''; and

(4) by striking clause (vi).

(b) AUTHORITY OF BOARD MEMBERS.—Section 117(b)(3) (29 U.S.C. 2832(b) is amended—

(1) in the heading, by inserting ''AND REPRESENTATION'' after ''MEMBERS''; and

(2) by adding at the end the following: ''The members of the board shall represent diverse geographic sections within the local area.''.

(c) FUNCTIONS.—Section 117(d) (29 U.S.C. 2832(d)) is amended—

(1) in paragraph (2)(B), by striking ''local area'' and all that follows and inserting ''local area.''; and

(2) in paragraph (4) by inserting ''and ensure the appropriate use and management of the funds provided under this title for such programs, activities, and system'' after ''area''.

(d) AUTHORITY TO ESTABLISH COUNCILS AND ELIMINATION OF REQUIREMENT FOR YOUTH COUNCILS.—Section 117(h) (29 U.S.C. 2832(h)) is amended to read as follows:

''(h) ESTABLISHMENT OF COUNCILS.—The local board may establish councils to provide information and advice to assist the local board in carrying out activities under this title. Such councils may include a council composed of one-stop

partners to advise the local board on the operation of the one-stop delivery system, a youth council composed of experts and stakeholders in youth programs to advise the local board on activities for youth, and such other councils as the local board determines are appropriate.''.

(e) REPEAL OF ALTERNATIVE ENTITY PROVISION.—Section 117 (29 U.S.C. 2832) is further amended by striking subsection (i).

SEC. 107. LOCAL PLAN.

(a) PLANNING CYCLE.—Section 118(a) (29 U.S.C. 2833(a)) is amended by striking ''5-year'' and inserting ''2-year''.

(b) CONTENTS.—Section 118(b) (29 U.S.C. 2833(b)) is amended—

(1) by amending paragraph (2) to read as follows:

''(2) a description of the one-stop delivery system to be established or designated in the local area, including a description of how the local board will ensure the continuous improvement of eligible providers of services through the system and ensure that such providers meets the employment needs of local employers and participants.''; and

(2) in paragraph (4), by striking ''and dislocated worker''.

SEC. 108. ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEMS.

(a) ONE-STOP PARTNERS.—Section 121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is amended—

(1) in clause (iv) by striking ''and'' at the end;

(2) in clause (v) by striking the period and inserting a semicolon; and

(3) by adding at the end the following new clauses:

''(vi) employment and training programs administered by the Social Security Administration, including the Ticket to Work program (established by Public Law 106–170);

''(vii) programs under part D of title IV of the Social Security Act (42 U.S.C. 451 et seq.) (relating to child support enforcement); and

''(viii) programs carried out in the local area for individuals with disabilities, including programs carried out by State agencies relating to mental health, mental retardation, and developmental disabilities, State Medicaid agencies, State Independent Living Councils, and Independent Living Centers.''.

(b) PROVISION OF SERVICES.—Subtitle B of title I is amended—

(1) by striking subsection (e) of section 121;

(2) by moving subsection (c) of section 134 from section 134, redesignating such subsection as subsection (e), and inserting such subsection (as so redesignated) after subsection (d) of section 121; and

(3) by amending subsection (e) (as moved and redesignated by paragraph (2))—

(A) in paragraph (1)(A), by striking ''subsection (d)(2)'' and inserting ''section 134(c)(2)'';

(B) in paragraph (1)(B)—

(i) by striking ''subsection (d)'' and inserting ''section 134(c)''; and

(ii) by striking ''subsection (d)(4)(G)'' and inserting ''section 134(c)(4)(G)'';

(C) in paragraph (1)(C), by striking ''subsection (e)'' and inserting ''section 134(d)'';

(D) in paragraph (1)(D)—

(i) by striking ''section 121(b)'' and inserting ''subsection (b)''; and

(ii) by striking ''and'' at the end; and

(E) by amending paragraph (1)(E) to read as follows:

''(E) shall provide access to the information described in section 15(e) of the Wagner-Peyser Act (29 U.S.C. 49l–2(e)).''.

(c) CERTIFICATION AND FUNDING OF ONE-STOP CENTERS.—Section 121 (as amended by subsection (b)) is further amended by adding at the end the following new subsections:

''(g) CERTIFICATION OF ONE-STOP CENTERS.—

''(1) IN GENERAL.—The State board shall establish procedures and criteria for periodically certifying one-stop center for the purpose of awarding the one-stop infrastructure funding described in subsection (h).

''(2) CRITERIA.—The criteria for certification under this subsection shall include minimum standards relating to the scope and degree of service integration achieved by the centers involving the programs provided by the one-stop partners.

''(3) EFFECT OF CERTIFICATION.—One-stop centers certified under this subsection shall be eligible to receive the infrastructure grants authorized under subsection (h).

''(h) ONE-STOP INFRASTRUCTURE FUNDING.—

''(1) PARTNER CONTRIBUTIONS.—

''(A) PROVISION OF FUNDS.—Notwithstanding any other provision of law, as determined under subparagraph (B), a portion of the Federal funds provided to the State and areas within the State under the Federal laws authorizing the one-stop partner programs described in subsection (b) for a fiscal year shall be provided to the Governor by such programs to carry out this subsection.

''(B) DETERMINATION.—The portion of funds to be provided under subparagraph (A) by each one-stop partner shall be determined by the Governor, after consultation with the State board.

''(2) ALLOCATION BY GOVERNOR.—From the funds provided under paragraph (1), the Governor shall allocate funds to local areas for the purposes of assisting in paying the costs of the infrastructure of One-Stop centers certified under subsection (g).

''(3) ALLOCATION FORMULA.—The State board shall develop a formula to be used by the Governor to allocate the funds described in paragraph (1). The formula shall include such factors as the State board determines are appropriate, which may include factors such as the number of centers in the local area that have been certified, the population served by such centers, and the performance of such centers.

''(4) COSTS OF INFRASTRUCTURE.—For purposes of this subsection, the term 'costs of infrastructure' means the nonpersonnel costs that are necessary for the general operation of a one-stop center, including the rental costs of the facilities, the costs of utilities and maintenance, equipment (including adaptive technology for individuals with disabilities), strategic planning activities for the center, and common outreach activities.

''(i) OTHER FUNDS.—

''(1) IN GENERAL.—In addition to the funds provided to carry out subsection (h), a portion of funds made available under Federal law authorizing the one-stop partner programs described in subsection (b) shall be used to pay the costs relating to the operation of the one-stop delivery system that are not paid for from the funds provided under subsection (h), to the extent not inconsistent with the Federal law involved including—

''(A) infrastructure costs that are in excess of the funds provided under subsection (h);

''(B) common costs that are in addition to the costs of infrastructure; and

''(C) the costs of the provision of core services applicable to each program.

''(2) DETERMINATION AND GUIDANCE.—The method for determining the appropriate portion of funds to be provided by each program under paragraph (1) shall be determined as part of the memorandum of understanding under subsection (c). The State board shall provide guidance to facilitate the determination of appropriate funding allocation in local areas.''.

SEC. 109. ELIGIBLE PROVIDERS OF TRAINING SERVICES.

Section 122 (29 U.S.C. 2842) is amended to read as follows:

''SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.

''(a) IN GENERAL.—The Governor shall establish criteria and procedures regarding the eligibility of providers of training services described in section 134(c)(4) to receive funds provided under section 133(b) for the provision of such training services.

''(b) CRITERIA.—

''(1) IN GENERAL.—The criteria established pursuant to subsection (a) shall take into account the performance of providers of training services with respect to the indicators described in section 136 or other appropriate indicators (taking into consideration the characteristics of the population served and relevant economic conditions), and such other factors as the Governor determines are appropriate to ensure the quality of services, the accountability of providers, and the informed choice of participants under chapter 5. Such criteria shall require that the provider submit appropriate, accurate and timely information to the State for purposes of carrying out subsection (d). The criteria shall also provide for periodic review and renewal of eligibility under this section for providers of training services. The Governor may authorize local areas in the State to establish additional criteria or to modify the criteria established by the Governor under this section for purposes of determining the eligibility of providers of training services to provide such services in the local area.

''(2) LIMITATION.—In carrying out the requirements of this subsection, no personally identifiable information regarding a student, including Social Security number, student identification number, or other identifier, may be disclosed without the prior written consent of the parent or eligible student in compliance with section 444 of the General Education Provisions Act (20 U.S.C. 1232g).

''(c) PROCEDURES.—The procedures established under subsection (a) shall identify the application process for a provider of training services to become eligible to receive funds under section 133(b), and identify the respective roles of the State and local areas in receiving and reviewing applications and in making determinations of eligibility based on the criteria established under this section. The procedures shall also establish a process for a provider of training services to appeal a denial or termination of eligibility under this section that includes an opportunity for a hearing and prescribes appropriate time limits to ensure prompt resolution of the appeal.

''(d) INFORMATION TO ASSIST PARTICIPANTS IN CHOOSING PROVIDERS.—In order to facilitate and assist participants under chapter 5 in choosing providers of training services, the Governor shall ensure that an appropriate list or lists of providers determined eligible under this section in the State, accompanied by such information as the Governor determines is appropriate, is provided to the local boards in the State to be made available to such participants and to members of the public through the one-stop delivery system in the State.

''(e) AGREEMENTS WITH OTHER STATES.—States may enter into agreements, on a reciprocal basis, to permit eligible providers of training services to accept individual training accounts provided in another State.

''(f) RECOMMENDATIONS.—In developing the criteria, procedures, and information required under this section, the Governor shall solicit and take into consideration the recommendations of local boards and providers of training services within the State.

''(g) OPPORTUNITY TO SUBMIT COMMENTS.—During the development of the criteria, procedures, and information required under this section, the Governor shall provide an opportunity for interested members of the public, including representatives of business and labor organizations, to submit comments regarding such criteria, procedures, and information.''.

SEC. 110. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

Section 123 (29 U.S.C. 2843) and the item relating to such section in the table of contents are repealed.

SEC. 111. YOUTH ACTIVITIES.

(a) STATE ALLOTMENTS.—

(1) IN GENERAL.—Section 127(a) (29 U.S.C. 2852(a)) is amended to read as follows:

''(a) ALLOTMENT AMONG STATES.—

''(1) YOUTH ACTIVITIES.—

''(A) YOUTH CHALLENGE GRANTS.—

''(i) RESERVATION OF FUNDS.—Of the amount appropriated under section 137(a) for each fiscal year, the Secretary shall reserve 25 percent to provide youth challenge grants under section 169.

''(ii) LIMITATION.—Notwithstanding clause (i), if the amount appropriated under section 137(a) for a fiscal year exceeds $1,000,000,000, the Secretary shall reserve $250,000,000 to provide youth challenge grants under section 169.

''(B) OUTLYING AREAS AND NATIVE AMERICANS.—After determining the amount to be reserved under subparagraph (A), of the remainder of the amount appropriated under section 137(a) for each fiscal year the Secretary shall—

''(i) reserve not more than ¼ of one percent of such amount to provide assistance to the outlying areas to carry out youth activities and statewide workforce investment activities; and

''(ii) reserve not more than 1 and ½ percent of such amount to provide youth activities under section 166 (relating to Native Americans).

''(C) STATES.—

''(i) IN GENERAL.—After determining the amounts to be reserved under subparagraphs (A) and (B), the Secretary shall allot the remainder of the amount appropriated under section 137(a) for each fiscal year to the States pursuant to clause (ii) for youth activities and statewide workforce investment activities.

''(ii) FORMULA.—Subject to clauses (iii) and (iv), of the remainder—

''(I) 33 and ⅓ percent shall be allotted on the basis of the relative number of high school dropouts who are ages 16 through 21 in the State, compared to the total number of high school dropouts who are ages 16 through 21 in all States;

''(II) 33 and ⅓ percent shall be allotted on the basis of the relative number of jobless out-of-school youth who are ages 16 through 21 in the State, compared to the total number of jobless out-of-school youth who are ages 16 through 21 in all States; and

''(III) 33 and ⅓ percent shall be allotted on the basis of the relative number of disadvantaged youth who are ages 16 through 21 in the State, compared to the total number of disadvantaged youth who are ages 16 through 21 in all States.

''(iii) MINIMUM AND MAXIMUM PERCENTAGES.—The Secretary shall ensure that no State shall receive an allotment for a fiscal year that is less than 90 percent or greater than 130 percent of the allotment percentage of that State for the preceding fiscal year.

''(iv) SMALL STATE MINIMUM ALLOTMENT.—Subject to clause (iii), the Secretary shall ensure that no State shall receive an allotment under this paragraph that is less than 3/10 of 1 percent of the amount available under subparagraph (A).

''(2) DEFINITIONS.—For the purposes of paragraph (1), the following definitions apply:

''(A) ALLOTMENT PERCENTAGE.—The term 'allotment percentage', used with respect to fiscal year 2004 or a subsequent fiscal year, means a percentage of the remainder described in paragraph (1)(C)(i) that is received through an allotment made under this subsection for the fiscal year. The term, with respect to fiscal year 2003, means the percentage of the amounts allotted to States under this chapter (as in effect on the day before the date of enactment of the Workforce Reinvestment and Adult Education Act of 2003) that is received by the State involved for fiscal year 2003.

''(B) DISADVANTAGED YOUTH.—The term 'disadvantaged youth' means an individual who is age 16 through 21 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.

''(C) NUMBER OF HIGH SCHOOL DROPOUTS.—The term 'number of high school dropouts' means the number of high school dropouts as is determined by the Secretary based on the Current Population Survey.

''(D) NUMBER OF JOBLESS OUT-OF-SCHOOL YOUTH.—The term 'number of jobless out-of-school youth' means the number of jobless out-of-school youth as is determined by the Secretary based on the Current Population Survey.

''(3) SPECIAL RULE.—For purposes of the formula specified in paragraph (1)(C), the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of disadvantaged youth.

''(4) MINIMUM ALLOTMENT.—Notwithstanding any other provision of this section, no State shall receive an allotment under this section that is less than the amount received by such State for fiscal year 2003.''.

(2) REALLOTMENT.—Section 127 (29 U.S.C. 2552) is further amended—

(A) by striking subsection (b);

(B) by redesignating subsection (c) as subsection (b);

(C) in subsection (b) (as so redesignated)

(i) by amending paragraph (2) to read as follows:

''(2) AMOUNT.—The amount available for reallotment for a program year is equal to the amount by which the unexpended balance, excluding accrued expenditures, at the end of such program year of the total amount of funds available to the State under this section during such program year (including amounts allotted to the State in prior program years that remain available during the program year for which the determination is made) exceeds 30 percent of such total amount.'';

(ii) in paragraph (3)—

(I) by striking ''for the prior program year'' and inserting ''for the program year in which the determination is made''; and

(II) by striking ''such prior program year'' and inserting ''such program year'';

(iii) by amending paragraph (4) to read as follows:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible State means a State which does not have an amount available for reallotment under paragraph (2) for the program year for which the determination under paragraph (2) is made.''.

(b) WITHIN STATE ALLOCATIONS.—

(1) RESERVATION FOR STATEWIDE ACTIVITIES.—Section 128(a) is amended to read as follows:

''(a) RESERVATION FOR STATEWIDE ACTIVITIES.—

''(1) IN GENERAL.—The Governor of a State shall reserve not more than 10 percent of the amount allotted to the State under section 127(a)(1)(C) for a fiscal year for statewide activities.

''(2) USE OF FUNDS.—Regardless of whether the amounts are allotted under section 127(a)(1)(C) and reserved under paragraph (1) or allotted under section 132 and reserved under section 133(a), the Governor may use the reserved amounts to carry out statewide youth activities under section 129(b) or statewide employment and training activities under section 133.''.

(2) WITHIN STATE ALLOCATION.—Section 128(b) is amended to read as follows:

''(b) WITHIN STATE ALLOCATION.—

''(1) IN GENERAL.—Of the amounts allotted to the State under section 127(a)(1)(C) and not reserved under subsection (a)(1)—

''(A) 80 percent of such amounts shall be allocated by the Governor to local areas in accordance with paragraph (2); and

''(B) 20 percent of such amounts shall be allocated by the Governor to local areas in accordance with paragraph (3).

''(2) ESTABLISHED FORMULA.—

''(A) IN GENERAL.—Of the amounts described in paragraph (1)(A), the Governor shall allocate—

''(i) 33 and ⅓ percent on the basis of the relative number of high school dropouts who are ages 16 through 21 in each local area, compared to the total number of high school dropouts who are ages 16 through 21 in all local areas in the State;

''(ii) 33 and ⅓ percent on the basis of the relative number of jobless out-of-school youth who are ages 16 through 21 in each local area, compared to the total number of jobless out-of-school youth who are ages 16 through 21 in all local areas in the State; and

''(iii) 33 and ⅓ percent on the basis of the relative number of disadvantaged youth who are ages 16 through 21 in each local area, compared to the total number of disadvantaged youth who are ages 16 through 21 in all local areas in the State.

''(B) MINIMUM AND MAXIMUM PERCENTAGES.—The Governor shall ensure that no local area shall receive an allocation for a fiscal year under this paragraph that is less than 90 percent or greater than 130 percent of the allocation percentage of the local area for the preceding fiscal year.

''(C) DEFINITIONS.—

''(i) ALLOCATION PERCENTAGE.—For purposes of this paragraph, the term 'allocation percentage', used with respect to fiscal year 2004 or a subsequent fiscal year, means a percentage of amount described in paragraph(1)(A) that is received through an allocation made under this paragraph for the fiscal year. The term, with respect to fiscal year 2003, means the percentage of the amounts allocated to local areas under this chapter (as in effect on the day before the date of enactment of the Workforce Investment Act Amendments of 2003) that is received by the local area involved for fiscal year 2003.

''(ii) OTHER TERMS.—For purposes of this paragraph, all other terms shall have the meaning given such terms in section 127(a)(2).

''(3) YOUTH DISCRETIONARY ALLOCATION.—The Governor shall allocate to local areas the amounts described in paragraph (1)(B) in accordance with such demographic and economic factors as the Governor, after consultation with the State board and local boards, determines are appropriate.

''(4) LOCAL ADMINISTRATIVE COST LIMIT.—

''(A) IN GENERAL.—Of the amounts allocated to a local area under this subsection and section 133(b) for a fiscal year, not more than 10 percent of the amount may be used by the local boards for the administrative costs of carrying out local workforce investment activities under this chapter or chapter 5.

''(B) USE OF FUNDS.—Funds made available for administrative costs under subparagraph (A) may be used for the administrative costs of any of the local workforce investment activities described in this chapter or chapter 5, regardless of whether the funds were allocated under this subsection or section 133(b).''.

(3) REALLOCATION.—Section 128(c) (29 U.S.C. 2853(c)) is amended—

(A) in paragraph (1), by striking ''paragraph (2)(A) or (3) of'';

(B) by amending paragraph (2) to read as follows:

''(2) AMOUNT.—The amount available for reallocation for a program year is equal to the amount by which the unexpended balance, excluding accrued expenditures, at the end of such program year of the total amount of funds available to the local area under this section during such program year (including amounts allotted to the local area in prior program years that remain available during the program year for which the determination is made) exceeds 30 percent of such total amount.'';

(C) by amending paragraph (3)—

(i) by striking ''subsection (b)(3)'' each place it appears and inserting ''subsection (b)'';

(ii) by striking ''the prior program year'' and inserting ''the program year in which the determination is made'';

(iii) by striking ''such prior program year'' and inserting ''such program year''; and

(iv) by striking the last sentence; and

(D) by amending paragraph (4) to read as follows:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible local area means a local area which does not have an amount available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made.''.

(c) YOUTH PARTICIPANT ELIGIBILITY.—Section 129(a) (29 U.S.C. 2854(a)) is amended to read as follows:

''(a) YOUTH PARTICIPANT ELIGIBILITY.—

''(1) IN GENERAL.—The individuals participating in activities carried out under this chapter by a local area during any program year shall be individuals who, at the time the eligibility determination is made, are—

''(A) not younger than age 16 or older than age 21; and

''(B) one or more of the following:

''(i) school dropouts;

''(ii) recipients of a secondary school diploma or the General Equivalency Diploma (GED) (including recognized alternative standards for individuals with disabilities);

''(iii) court-involved youth attending an alternative school;

''(iv) youth in foster care or who have been in foster care; or

''(v) in school youth who are low-income individuals and one or more of the following:

''(I) Deficient in literacy skills.

''(II) Homeless, runaway, or foster children.

''(III) Pregnant or parents.

''(IV) Offenders.

''(V) Individuals who require additional assistance to complete an educational program, or to secure and hold employment.

''(2) PRIORITY FOR SCHOOL DROPOUTS.—A priority in the provision of services under this chapter shall be given to individuals who are school dropouts.

''(3) LIMITATIONS ON ACTIVITIES FOR IN-SCHOOL YOUTH.—

''(A) PERCENTAGE OF FUNDS.—For any program year, not more than 30 percent of the funds available for statewide activities under subsection (b), and not more than 30 percent of funds available to local areas under subsection (c), may be used to provide activities for in-school youth meeting the requirements of paragraph (1)(B)(v).

''(B) NON-SCHOOL HOURS REQUIRED.—Activities carried out under this chapter for in-school youth meeting the requirements of paragraph (1)(B)(v) shall only be carried out in non-school hours or periods when school is not in session (such as before and after school or during summer recess.''.

(d) STATEWIDE YOUTH ACTIVITIES.—Section 129(b) (29 U.S.C. 2854(b)) is amended to read as follows:

''(b) STATEWIDE ACTIVITIES.—

''(1) IN GENERAL.—Funds reserved by a Governor for a State as described in sections 128(a) and 133(a)(1) may be used for statewide activities including—

''(A) additional assistance to local areas that have high concentrations of eligible youth;

''(B) supporting the provision of core services described in section 134(c)(2) in the one-stop delivery system;

''(C) conducting evaluations under section 136(e) of activities authorized under this chapter and chapter 5 in coordination with evaluations carried out by the Secretary under section 172, research, and demonstration projects;

''(D) providing incentive grants to local areas for regional cooperation among local boards (including local boards in a designated region as described in section 116(c)), for local coordination of activities carried out under this Act, and for exemplary performance by local areas on the local performance measures;

''(E) providing technical assistance and capacity building to local areas, one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the development of exemplary program activities, and the provision of technical assistance to local areas that fail to meet local performance measures;

''(F) operating a fiscal and management accountability system under section 136(f); and

''(G) carrying out monitoring and oversight of activities under this chapter and chapter 5.

''(2) LIMITATION.—Not more than 5 percent of the funds allotted under section 127(b) shall be used by the State for administrative activities carried out under this subsection and section 133(a).

''(3) PROHIBITION.—No funds described in this subsection or in section 134(a) may be used to develop or implement education curricula for school systems in the State.''.

(e) LOCAL ELEMENTS AND REQUIREMENTS.——

(1) PROGRAM DESIGN.—Section 129(c)(1) (29 U.S.C. 2854(c) (1)) is amended—

(A) in the matter preceding subparagraph (A), by striking ''paragraph (2)(A) or (3), as appropriate, of'';

(B) in subparagraph (B), by inserting ''are directly linked to one or more of the performance outcomes relating to this chapter under section 136, and that'' after ''for each participant that''; and

(C) in subparagraph (C)—

(i) by redesignating clauses (i) through (iv) as clauses (ii) through (v), respectively;

(ii) by inserting before clause (ii) (as so redesignated) the following:

''(i) activities leading to the attainment of a secondary school diploma or the General Equivalency Diploma (GED) (including recognized alternative standards for individuals with disabilities);'';

(iii) in clause (ii) (as redesignated by this subparagraph), by inserting ''and advanced training'' after ''opportunities'';

(iv) in clause (iii) (as redesignated by this subparagraph), by inserting ''that lead to the attainment of recognized credentials'' after ''learning''; and

(v) by amending clause (v) (as redesignated by this subparagraph) to read as follows:

''(v) effective connections to employers in sectors of the local labor market experiencing high growth in employment opportunities.''.

(2) PROGRAM ELEMENTS.—Section 129(c)(2) (29 U.S.C. 2854(c)(2)) is amended—

(A) in subparagraph (A), by striking ''secondary school, including dropout prevention strategies'' and inserting ''secondary school diploma or the General Equivalency Diploma (GED) (including recognized alternative standards for individuals with disabilities), including dropout prevention strategies'';

(B) in subparagraph (I), by striking ''and'' at the end;

(C) in subparagraph (J), by striking the period at the end and inserting a semicolon; and

(D) by adding at the end the following:

''(K) on-the-job training opportunities; and

''(L) financial literacy skills.''.

(3) ADDITIONAL REQUIREMENTS.—Section 129(c)(3)(A) (29 U.S.C. 2854(c)(3)(A)) is amended in the matter preceding clause (i) by striking ''or applicant who meets the minimum income criteria to be considered an eligible youth'';

(4) PRIORITY AND EXCEPTIONS.—Section 129(c) (29 U.S.C. 2854(c)) is further amended—

(A) by striking paragraphs (4) and (5);

(B) by redesignating paragraph (6) as paragraph (4);

(C) by redesignating paragraph (7) as paragraph (5), and in such redesignated paragraph (5) by striking ''youth councils'' and inserting ''local boards''; and

(D) by redesignating paragraph (8) as paragraph (6).

SEC. 112. COMPREHENSIVE PROGRAM FOR ADULTS.

(a) TITLE OF CHAPTER 5.—

(1) The title heading of chapter 5 is amended to read as follows:

''CHAPTER 5—COMPREHENSIVE EMPLOYMENT AND TRAINING ACTIVITIES FOR ADULTS''.

(2) CONFORMING AMENDMENT.—Table of contents in section 1(b) is amended by amending the item related to the heading for chapter 5 to read as follows:

''CHAPTER 5—COMPREHENSIVE EMPLOYMENT AND TRAINING ACTIVITIES FOR ADULTS''.

(b) GENERAL AUTHORIZATION.—Section 131 (29 U.S.C. 2861) is amended—

(1) by striking ''paragraphs (1)(B) and (2)(B) of''; and

(2) by striking '', and dislocated workers,''.

(c) STATE ALLOTMENTS.—

(1) IN GENERAL.—Section 132(a) (29 U.S.C. 2862(a)) is amended to read as follows:

''(a) IN GENERAL.—The Secretary shall—

''(1) reserve 10 percent of the amount appropriated under section 137(b) for a fiscal year, of which—

''(A) not less than 75 percent shall be used for national dislocated worker grants under section 173;

''(B) not more than 20 percent may be used for demonstration projects under section 171; and

''(C) not more than 5 percent may be used to provide technical assistance under section 170; and

''(2) make allotments from 90 percent of the amount appropriated under section 137(b) for a fiscal year in accordance with subsection (b).''.

(2) ALLOTMENT AMONG STATES.—Section 132(b) (29 U.S.C. 2862(b)) is amended to read as follows:

''(b) ALLOTMENT AMONG STATES FOR ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—

''(1) RESERVATION FOR OUTLYING AREAS.—From the amount made available under subsection (a)(2) for a fiscal year, the Secretary shall reserve not more than ¼ of 1 percent to provide assistance to outlying areas to carry out employment and training activities for adults and statewide workforce investment activities.

''(2) STATES.—

''(A) IN GENERAL.—After determining the amount to be reserved under paragraph (1), the Secretary shall allot the remainder of the amount referred to under subsection (a)(2) for a fiscal year to the States pursuant to subparagraph (B) for employment and training activities for adults and statewide workforce investment activities.

''(B) FORMULA.—Subject to subparagraphs (C) and (D), of the remainder—

''(i) 60 percent shall be allotted on the basis of the relative number of unemployed individuals in each State, compared to the total number of unemployed individuals in all States;

''(ii) 15 percent shall be allotted on the basis of the relative excess number of unemployed individuals in each State, compared to the total excess number of unemployed individuals in all States;

''(iii) 15 percent shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of individuals in the civilian labor force in all States; and

''(iv) 10 percent shall be allotted on the basis of the relative number of disadvantaged adults in each State, compared to the total number of disadvantaged adults in all States.

''(C) MINIMUM AND MAXIMUM PERCENTAGES.—The Secretary shall ensure that no State shall receive an allotment for a fiscal year that is less than 90 percent or greater than 130 percent of the allotment percentage of the State for the preceding fiscal year.

''(D) MINIMUM ALLOTMENT.—Notwithstanding any other provision of this section, no State shall receive an allotment under this section that is less than the amount received by such State for fiscal year 2003.

''(E) SMALL STATE MINIMUM ALLOTMENT.—Subject to subparagraph (C), the Secretary shall

ensure that no State shall receive an allotment under this paragraph that is less than 3/10 of 1 percent of the amount available under subparagraph (A).

''(F) DEFINITIONS.—For the purposes of this paragraph, the following definitions apply:

''(i) ALLOTMENT PERCENTAGE.—The term 'allotment percentage', used with respect to fiscal year 2004 or a subsequent fiscal year, means a percentage of the remainder described in subparagraph (A) that is received through an allotment made under this paragraph for the fiscal year. The term, with respect to fiscal year 2003, means the percentage of the amounts allotted to States under this chapter (as in effect on the day before the date of enactment of the Workforce Reinvestment and Adult Education Act of 2003) and under section 6 of the Wagner-Peyser Act that is received by the State involved for fiscal year 2003.

''(ii) DISADVANTAGED ADULT.—The term 'disadvantaged adult' means an individual who is age 22 through 72 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.

''(iii) EXCESS NUMBER.—The term 'excess number' means, used with respect to the excess number of unemployed individuals within a State, the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the State.''.

(3) REALLOTMENT.—Section 132(c) (29 U.S.C. 2862(c)) is amended—

(A) by amending paragraph (2) to read as follows:

''(2) AMOUNT.—The amount available for reallotment for a program year is equal to the amount by which the unexpended balance, excluding accrued expenditures, at the end of such program year of the total amount of funds available to the State under this section during such program year (including amounts allotted to the State in prior program years that remain available during the program year for which the determination is made) exceeds 30 percent of such total amount.'';

(B) in paragraph (3)—

(i) by striking ''for the prior program year'' and inserting ''for the program year in which the determination is made''; and

(ii) by striking ''such prior program year'' and inserting ''such program year''; and

(C) by amending paragraph (4) to read as follows:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible State means a State that does not have an amount available for reallotment under paragraph (2) for the program year for which the determination under paragraph (2) is made.''.

(d) WITHIN STATE ALLOCATIONS.—

(1) RESERVATION FOR STATE ACTIVITIES.—Section 133(a) (29 U.S.C. 2863(a)) is amended to read as follows:

''(a) RESERVATION FOR STATEWIDE ACTIVITIES.—The Governor of a State may reserve up to 50 percent of the total amount allotted to the State under section 132 for a fiscal year to carry out the statewide activities described in section 134(a).''.

(2) ALLOCATIONS TO LOCAL AREAS.—Section 133(b) (29 U.S.C. 2863(b)) is amended to read as follows:

''(b) ALLOCATIONS TO LOCAL AREAS.—

''(1) IN GENERAL.—Of the amounts allotted to the State under section 132(b)(2) and not reserved under subsection (a)—

''(A) 80 percent of such amounts shall be allocated by the Governor to local areas in accordance with paragraph (2); and

''(B) 20 percent of such amounts shall be allocated by the Governor to local areas in accordance with paragraph (3).

''(2) ESTABLISHED FORMULA.—

''(A) IN GENERAL.—Of the amounts described in paragraph (1)(A), the Governor shall allocate—

''(i) 60 percent on the basis of the relative number of unemployed individuals in each local area, compared to the total number of unemployed individuals in all local areas in the State;

''(ii) 15 percent on the basis of the relative excess number of unemployed individuals in each local area, compared to the total excess number of unemployed individuals in all local areas in the State;

''(iii) 15 percent on the basis of the relative number of individuals in the civilian labor force in each local area, compared to the total number of individuals in the civilian labor force in all local areas in the State; and

''(iv) 10 percent shall be allotted on the basis of the relative number of disadvantaged adults in each local area, compared to the total number of disadvantaged adults in all local areas in the State.

''(B) MINIMUM AND MAXIMUM PERCENTAGES.—The Governor shall ensure that no local area shall receive an allocation for a fiscal year under this paragraph that is less than 90 percent or greater than 130 percent of the allocation percentage of the local area for the preceding fiscal year.

''(C) DEFINITIONS.—

''(i) ALLOCATION PERCENTAGE.—The term 'allocation percentage', used with respect to fiscal year 2004 or a subsequent fiscal year, means a percentage of amount described in paragraph (1)(A) that is received through an allocation made under this paragraph for the fiscal year. The term, with respect to fiscal year 2003, means the percentage of the amounts allocated to local areas under this chapter (as in effect on the day before the date of enactment of the Workforce Reinvestment and Adult Education Act of 2003) that is received by the local area involved for fiscal year 2003.

''(ii) DISADVANTAGED ADULT.—The term 'disadvantaged adult' means an individual who is age 22 through 72 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.

''(iii) EXCESS NUMBER.—The term 'excess number' means, used with respect to the excess number of unemployed individuals within a local area, the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the local area.

''(3) DISCRETIONARY ALLOCATION.—The Governor shall allocate to local areas the amounts described in paragraph (1)(B) based on a formula developed in consultation with the State board and local boards. Such formula shall be objective and geographically equitable and may include such demographic and economic factors as the Governor, after consultation with the State board and local boards, determines are appropriate.

''(4) LOCAL ADMINISTRATIVE COST LIMIT.—

''(A) IN GENERAL.—Of the amounts allocated to a local area under this subsection and section 128(b) for a fiscal year, not more than 10 percent of the amount may be used by the local boards for the administrative costs of carrying out local workforce investment activities under this chapter or chapter 4.

''(B) USE OF FUNDS.—Funds made available for administrative costs under subparagraph (A) may be used for the administrative costs of any of the local workforce investment activities described in this chapter or chapter 4, regardless of whether the funds were allocated under this subsection or section 128(b).''.

(3) REALLOCATION AMONG LOCAL AREAS.—Section 133(c) (29 U.S.C. 2863(c)) is amended—

(A) in paragraph (1), by striking ''paragraph (2)(A) or (3) of'';

(B) by amending paragraph (2) to read as follows:

''(2) AMOUNT.—The amount available for reallocation for a program year is equal to the amount by which the unexpended balance, excluding accrued expenditures, at the end of such program year of the total amount of funds available to the local area under this section during such program year (including amounts allotted to the local area in prior program years that remain available during the program year for which the determination is made) exceeds 30 percent of such total amount.'';

(C) by amending paragraph (3)—

(i) by striking ''subsection (b)(3)'' each place it appears and inserting ''subsection (b)'';

(ii) by striking ''the prior program year'' and inserting ''the program year in which the determination is made'';

(iii) by striking ''such prior program year'' and inserting ''such program year''; and

(iv) by striking the last sentence; and

(D) by amending paragraph (4) to read as follows:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible local area means a local area which does not have an amount available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made.''.

(e) USE OF FUNDS FOR EMPLOYMENT AND TRAINING ACTIVITIES.—

(1) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

(A) IN GENERAL.—Section 134(a)(1) (29 U.S.C. 2864(a)(1) is amended to read as follows:

''(1) IN GENERAL.—

''(A) REQUIRED USE OF FUNDS.—Not less than 50 percent of the funds reserved by a Governor under section 133(a) shall be used to support the provision of core services in local areas, consistent with the local plan, through one-stop delivery systems by distributing funds to local areas in accordance with subparagraph (B). Such funds may be used by States to employ State personnel to provide such services in designated local areas in consultation with local boards.

''(B) METHOD OF DISTRIBUTING FUNDS.—The method of distributing funds under this paragraph shall be developed in consultation with the State board and local boards. Such method of distribution, which may include the formula established under section 121(h)(3), shall be objective and geographically equitable, and may include factors such as the number of centers in the local area that have been certified, the population served by such centers, and the performance of such centers.

''(C) OTHER USE OF FUNDS.—Funds reserved by a Governor for a State—

''(i) under section 133(a) and not used under subparagraph (A), may be used for statewide activities described in paragraph (2); and

''(ii) under section 133(a) and not used under subparagraph (A), and under section 128(a) may be used to carry out any of the statewide employment and training activities described in paragraph (3).''.

(B) STATEWIDE RAPID RESPONSE ACTIVITIES.—Section 134(a)(2) (29 U.S.C. 2864(a)(2)) is amended to read as follows:

''(2) STATEWIDE RAPID RESPONSE ACTIVITIES.—A State shall carry out statewide rapid response activities using funds reserved as described in section 133(a). Such activities shall include—

''(A) provision of rapid response activities, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials in the local areas; and

''(B) provision of additional assistance to local areas that experience disasters, mass layoffs or plant closings, or other events that precipitate substantial increases in the number of unemployed individuals, carried out in local areas by the State, working in conjunction with the local boards and the chief elected officials in the local areas.''.

(C) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—Section 134(a)(3) (29 U.S.C. 2864(a)(3)) is amended to read as follows:

''(3) STATEWIDE ACTIVITIES.—Funds reserved by a Governor for a State as described in sections 133(a) and 128(a) may be used for statewide activities including—

''(A) supporting the provision of core services described in section 134(c)(2) in the one-stop delivery system;

''(B) conducting evaluations under section 136(e) of activities authorized under this chapter and chapter 4 in coordination with evaluations carried out by the Secretary under section 172, research, and demonstration projects;

''(C) providing incentive grants to local areas for regional cooperation among local boards (including local boards in a designated region as described in section 116(c)), for local coordination of activities carried out under this Act, and for exemplary performance by local areas on the local performance measures;

''(D) providing technical assistance and capacity building to local areas, one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the development of exemplary program activities, and the provision of technical assistance to local areas that fail to meet local performance measures;

''(E) operating a fiscal and management accountability system under section 136(f);

''(F) carrying out monitoring and oversight of activities carried out under this chapter and chapter 4;

''(G) implementing innovative programs, such as incumbent worker training programs, programs serving individuals with disabilities consistent with section 188;

''(H) developing strategies for effectively serving hard-to-serve populations and for integrating programs and services among one-stop partners;

''(I) implementing innovative programs for displaced homemakers, which for purposes of this subparagraph may include an individual who is receiving public assistance and is within 2 years of exhausting lifetime eligibility under Part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

''(J) implementing programs to increase the number of individuals training for and placed in nontraditional employment.''.

(D) LIMITATION ON STATE ADMINISTRATIVE EXPENDITURES.—Section 134(a) is further amended by adding the following new paragraph:

''(4) LIMITATION.—Not more than 5 percent of the funds allotted under section 132(b) shall be used by the State for administrative activities carried out under this subsection and section 128(a).''.

(2) LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.— Section 134(b) (29 U.S.C. 2864(b)) is amended—

(A) by striking ''under paragraph (2)(A)'' and all that follows through ''section 133(b)(2)(B)'' and inserting ''under section 133(b)'';

(B) in paragraphs (1) and (2), by striking ''or dislocated workers, respectively'' both places it appears; and

(C) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(3) REQUIRED LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—

(A) ALLOCATED FUNDS.—Section 134(c)(1) (29 U.S.C. 2864(c)(1)) (as redesignated by paragraph (2)) is amended to read as follows:

''(1) IN GENERAL.—Funds allocated to a local area for adults under section 133(b) shall be used—

''(A) to establish a one-stop delivery system as described in section 121(e);

''(B) to provide the core services described in paragraph (2) through the one-stop delivery system in accordance with such paragraph;

''(C) to provide the intensive services described in paragraph (3) to adults described in such paragraph; and

''(D) to provide training services described in paragraph (4) to adults described in such paragraph.''.

(B) CORE SERVICES.—Section 134(c)(2) (29 U.S.C. 2864(c)(2)) (as redesignated by paragraph (2)) is amended—

(i) by striking ''who are adults or dislocated workers'';

(ii) in subparagraph (A), by striking ''under this subtitle'' and inserting ''under the one-stop partner programs described in section 121(b)'';

(iii) by amending subparagraph (D) to read as follows:

''(D) labor exchange services, including—

''(i) job search and placement assistance, and where appropriate career counseling; and

''(ii) appropriate recruitment services for employers;'';

(iv) in subparagraph (I), by inserting ''and the administration of the work test for the unemployment compensation system'' after ''compensation''; and

(v) by amending subparagraph (J) to read as follows:

''(J) assistance in establishing eligibility for programs of financial aid assistance for training and education programs that are not funded under this Act and are available in the local area; and''.

(C) INTENSIVE SERVICES.—Section 134(c)(3) (29 U.S.C. 2864(c)(3) (as redesignated by paragraph (2) of this subsection) is amended—

(i) by amending subparagraph (A) to read as follows:

''(A) IN GENERAL.—

''(i) ELIGIBILITY.—Funds allocated to a local area under section 133(b) shall be used to provide intensive services for adults who—

''(I) are unemployed and who have been determined by the one-stop operator to be—

''(aa) unlikely or unable to obtain suitable employment through core services; and

''(bb) in need of intensive services in order to obtain suitable employment; or

''(II) are employed, but who are determined by a one-stop operator to be in need of intensive services to obtain or retain suitable employment.

''(ii) DEFINITION.—The Governor shall define the term 'suitable employment' for purposes of this subparagraph.''; and

(ii) in subparagraph (C)—

(I) in clause (v), by striking ''for participants seeking training services under paragraph (4)''; and

(II) by adding the following clauses after clause (vi):

''(vii) Internships and work experience.

''(viii) Literacy activities relating to basic work readiness, and financial literacy activities.

''(ix) Out-of-area job search assistance and relocation assistance.''.

(D) TRAINING SERVICES.—Section 134(c)(4) (as redesignated by paragraph (2) of this subsection) is amended—

(i) by amending subparagraph (A) to read as follows:

''(A) IN GENERAL.—

''(i) ELIGIBILITY.—Funds allocated to a local area under section 133(b) shall be used to provide training services to adults who—

''(I) after an interview, evaluation, or assessment, and case management, have been determined by a one-stop operator or one-stop partner, as appropriate, to—

''(aa) be unlikely or unable to obtain or retain suitable employment through intensive services under paragraph (3)(A);

''(bb) be in need of training services to obtain or retain suitable employment; and

''(cc) have the skills and qualifications to successfully participate in the selected program of training services;

''(II) select programs of training services that are directly linked to the employment opportunities in the local area involved or in another area in which the adults receiving such services are willing to commute or relocate;

''(III) who meet the requirements of subparagraph (B); and

''(IV) who are determined eligible in accordance with the priority system in effect under subparagraph (E).

''(ii) The Governor shall define the term 'suitable employment' for purposes of this subparagraph.'';

(ii) in subparagraph (B)(i), by striking ''Except'' and inserting ''Notwithstanding section 479B of the Higher Education Act of 1965 (20 U.S.C. 1087uu) and except'';

(iii) by amending subparagraph (E) to read as follows:

''(E) PRIORITY.—

''(i) IN GENERAL.—A priority shall be given to unemployed individuals for the provision of intensive and training services under this subsection.

''(ii) ADDITIONAL PRIORITY.—If the funds in the local area, including the funds allocated under section 133(b), for serving recipients of public assistance and other low-income individuals is limited, the priority for the provision of intensive and training services under this subsection shall include such recipients and individuals.

''(iii) DETERMINATIONS.—The Governor and the appropriate local board shall direct the one-stop operators in the local area with regard to making determinations with respect to the priority of service under this subparagraph.'';

(iv) in subparagraph (F), by adding the following clause after clause (iii):

''(iv) ENHANCED INDIVIDUAL TRAINING ACCOUNTS.—Each local board may, through one-stop centers, assist individuals receiving individual training accounts through the establishment of such accounts that include, in addition to the funds provided under this paragraph, funds from other programs and sources that will assist the individual in obtaining training services.''; and

(v) in subparagraph (G)(iv), by redesignating subclause (IV) as subclause (V) and inserting after subclause (III) the following:

''(IV) Individuals with disabilities.''.

(4) PERMISSIBLE ACTIVITIES.—Section 134(d) (as redesignated by paragraph (2)) is amended—

(A) by amending paragraph (1) to read as follows:

''(1) DISCRETIONARY ONE-STOP DELIVERY ACTIVITIES.—

''(A) IN GENERAL.—Funds allocated to a local area under section 133(b) may be used to provide, through the one-stop delivery system—

''(i) customized screening and referral of qualified participants in training services to employers;

''(ii) customized employment-related services to employers on a fee-for-service basis;

''(iii) customer support to navigate among multiple services and activities for special participant populations that face multiple barriers to employment, including individuals with disabilities; and

''(iv) employment and training assistance provided in coordination with child support enforcement activities of the State agency carrying out subtitle D of title IV of the Social Security Act.

''(B) WORK SUPPORT ACTIVITIES FOR LOW-WAGE WORKERS.—

''(i) IN GENERAL.— Funds allocated to a local area under 133(b) may be used to provide, through the one-stop delivery system and in collaboration with the appropriate programs and resources of the one-stop partners, work support activities designed to assist low-wage workers in retaining and enhancing employment.

''(ii) ACTIVITIES.—The activities described in clause (i) may include assistance in accessing financial supports for which such workers may be eligible and the provision of activities available through the one-stop delivery system in a manner that enhances the opportunities of such workers to participate, such as the provision of employment and training activities during nontraditional hours and the provision of on-site child care while such activities are being provided.''; and

(B) by adding after paragraph (3) the following new paragraph:

''(4) INCUMBENT WORKER TRAINING PROGRAMS.—

''(A) IN GENERAL.—The local board may use up to 10 percent of the funds allocated to a local area under section 133(b) to carry out incumbent

worker training programs in accordance with this paragraph.

''(B) TRAINING ACTIVITIES.—The training programs for incumbent workers under this paragraph shall be carried out by the local area in conjunction with the employers of such workers for the purpose of assisting such workers in obtaining the skills necessary to retain employment and avert layoffs.

''(C) EMPLOYER MATCH REQUIRED.—

''(i) IN GENERAL.—Employers participating in programs under this paragraph shall be required to pay a proportion of the costs of providing the training to the incumbent workers. The Governor shall establish, or may authorize the local board to establish, the required portion of such costs, which shall not be less than—

''(I) 10 percent of the costs, for employers with 50 or fewer employees;

''(II) 25 percent of the costs, for employers with more than 50 employees but fewer than 100 employees; and

''(III) 50 percent of the costs, for employers with 100 or more employees.

''(ii) CALCULATION OF MATCH.—The wages paid by an employer to a worker while they are attending training may be included as part of the requirement payment of the employer.''.

SEC. 113. PERFORMANCE ACCOUNTABILITY SYSTEM.

(a) STATE PERFORMANCE MEASURES.—

(1) IN GENERAL.—Section 136(b)(1) (29 U.S.C. 2871(b)(1)) is amended—

(A) in subparagraph (A)(i), by striking ''and the customer satisfaction indicator of performance described in paragraph (2)(B)''; and

(B) in subparagraph (A)(ii), by striking ''paragraph (2)(C)'' and inserting ''paragraph (2)(B)''.

(2) INDICATORS OF PERFORMANCE.—Section 136(b)(2) (29 U.S.C. 2871(b)(2)) is amended—

(A) in subparagraph (A)(i), by striking ''(except for self-service and information activities) and (for participants who are eligible youth age 19 through 21) for youth activities authorized under section 129'';

(B) by amending subparagraph (A)(i)(IV) to read as follows:

''(IV) the efficiency of the program in obtaining the outcomes described in subclauses (I) through (III).'';

(C) by amending subparagraph (A)(ii) to read as follows:

''(ii) CORE INDICATORS FOR ELIGIBLE YOUTH.—The core indicators of performance for youth activities authorized under section 129 shall consist of—

''(I) entry into employment, education or advanced training, or military service;

''(II) attainment of secondary school diplomas or the General Equivalency Diploma (GED) (including recognized alternative standards for individuals with disabilities);

''(III) attainment of literacy or numeracy skills; and

''(IV) the efficiency of the program in obtaining the outcomes described in subclauses (I) through (III).'';

(D) by striking subparagraph (B);

(E) by redesignating subparagraph (C) as subparagraph (B), and by adding at the end of such subparagraph (as so redesignated) the following new sentence: ''Such indicators may include customer satisfaction of employers and participants with services received from the workforce investment activities authorized under this subtitle.''.

(3) LEVELS OF PERFORMANCE.—Section 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amended—

(A) in clause (i), by striking ''and the customer satisfaction indicator described in paragraph (2)(B)'';

(B) in clause (ii), by striking ''and the customer satisfaction indicator of performance, for the first 3'' and inserting ''for the 2'';

(C) in clause (iii)—

(i) in the heading, by striking ''FOR FIRST 3 YEARS''; and

(ii) by striking ''and the customer satisfaction indicator of performance, for the first 3'' and inserting ''for the 2'';

(D) in clause (iv)—

(i) by striking subclause (I);

(ii) by redesignating subclauses (II) and (III) as subclauses (I) and (II), respectively; and

(iii) in subclause (I) (as so redesignated)—

(I) by striking ''taking into account'' and inserting ''which shall be adjusted based on'';

(II) by inserting ''such as unemployment rates and job losses or gains in particular industries'' after ''economic conditions''; and

(III) by inserting ''such as indicators of poor work history, lack of work experience, low levels of literacy or English proficiency, disability status, and welfare dependency'' after ''program'';

(E) by striking clause (v); and

(F) by redesignating clause (vi) as clause (v).

(4) ADDITIONAL INDICATORS.—Section 136(b)(3)(B) is amended by striking ''paragraph (2)(C)'' and inserting ''paragraph (2)(B)''.

(b) LOCAL PERFORMANCE MEASURES.—Section 136(c) (29 U.S.C 2871(c)) is amended—

(1) in paragraph (1)(A)(i), by striking '', and the customer satisfaction indicator of performance described in subsection (b)(2)(B),'';

(2) in paragraph (1)(A)(ii), by striking ''subsection (b)(2)(C)'' and inserting ''subsection (b)(2)(B)''; and

(3) by amending paragraph (3) to read as follows:

''(3) DETERMINATIONS.—In determining such local levels of performance, the local board, the chief elected official, and the Governor shall ensure such levels are adjusted based on the specific economic characteristics (such as unemployment rates and job losses or gains in particular industries), demographic characteristics, or other characteristics of the population to be served in the local area, such as poor work history, lack of work experience, low levels of literacy or English proficiency, disability status, and welfare dependency.''.

(c) REPORT.—Section 136(d) (29 U.S.C. 2871(d)) is amended—

(1) in paragraph (1), by striking ''and the customer satisfaction indicator'' in both places that it appears;

(2) in paragraph (2)(E), by striking ''(excluding participants who received only self-service and informational activities)''; and

(3) by adding at the end the following:

''(4) DATA VALIDATION.—In preparing the reports described in this subsection, the States shall establish procedures, consistent with guidelines issued by the Secretary, to ensure the information contained in the report is valid and reliable.''.

(d) SANCTIONS FOR STATE.—Section 136(g) (29 U.S.C. 2871(g)) is amended—

(1) in paragraph (1)(A), by striking ''or (B)''; and

(2) in paragraph (2), by striking ''section 503'' and inserting ''section 136(i)''.

(e) SANCTIONS FOR LOCAL AREAS.—Section 136(h) (29 U.S.C. 2871(h)) is amended—

(1) in paragraph (1), by striking ''or (B)''; and

(2) by amending paragraph (2)(B) to read as follows:

''(B) APPEAL TO GOVERNOR.—A local area that is subject to a reorganization plan under subparagraph (A) may, not later than 30 days after receiving notice of the reorganization plan, appeal to the Governor to rescind or revise such plan. In such case, the Governor shall make a final decision not later than 30 days after the receipt of the appeal.''.

(f) INCENTIVE GRANTS.—Section 136(i) (29 U.S.C. 2871(i)) is amended to read as follows:

''(i) INCENTIVE GRANTS FOR STATES AND LOCAL AREAS.—

''(1) INCENTIVE GRANTS FOR STATES.—

''(A) IN GENERAL.—From funds appropriated under section 174, the Secretary may award grants to States for exemplary performance in carrying programs under this chapters 4 and 5 of this title. Such awards may be based on States meeting or exceeding the performance measures established under this section, on the performance of the State in serving special populations, including the levels of service provided and the performance outcomes, and such other factors relating to the performance of the State under this title as the Secretary determines is appropriate.

''(B) USE OF FUNDS.—The funds awarded to a State under this paragraph may be used to carry out any activities authorized under chapters 4 and 5 of this title, including demonstrations and innovative programs for special populations.

''(2) INCENTIVE GRANTS FOR LOCAL AREAS.—

''(A) IN GENERAL.—From funds reserved under sections 128(a) and 133(a), the Governor may award incentive grants to local areas for exemplary performance with respect to the measures established under this section and with the performance of the local area in serving special populations, including the levels of service and the performance outcomes.

''(B) USE OF FUNDS.—The funds awarded to a local area may be used to carry out activities authorized for local areas under chapters 4 and 5 of this title, and such demonstration or other innovative programs to serve special populations as may be approved by the Governor.''.

(g) REPEAL OF DEFINITIONS.—Sections 502 and 503 (and the items related to such sections in the table of contents) are repealed.

SEC. 114. AUTHORIZATION OF APPROPRIATIONS.

(a) YOUTH ACTIVITIES.— Section 137(a) (29 U.S.C. 2872(a)) is amended by striking ''such sums as may be necessary for each of fiscal years 1999 through 2003'' and inserting ''$1,001,000,000 for fiscal year 2004 and such sums as may be necessary for each of fiscal years 2005 through 2009''.

(b) ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by striking ''section 132(a)(1), such sums as may be necessary for each of fiscal years 1999 through 2003'' and inserting ''132(a), $3,079,800,000 for fiscal year 2004 and such sums as may be necessary for each of fiscal years 2005 through 2009''.

(c) DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES.—Section 137 is further amended by striking subsection (c).

SEC. 115. JOB CORPS.

(a) COMMUNITY PARTICIPATION.—Section 153 (29 U.S.C. 2893) is amended—

(1) by amending subsection (a) to read as follows:

''(a) BUSINESS AND COMMUNITY PARTICIPATION.—The director of each Job Corps center shall ensure the establishment and development of the business and community relationships and networks described in subsection (b) in order to enhance the effectiveness of such center.'';

(2) in subsection (b)—

(A) in the heading, by striking ''RESPONSIBILITIES'' and inserting ''NETWORKS''; and

(B) by striking ''The responsibilities of the Liaison'' and inserting ''The activities carried out by each Job Corps center under this section''; and

(3) in subsection (c), by striking ''The Liaison for'' and inserting ''The director of''.

(b) INDUSTRY COUNCILS.—Section 154(b) (29 U.S.C. 2894(b)) is amended—

(1) in paragraph (1)(A), by striking ''local and distant''; and

(2) by adding after paragraph (2) the following:

''(3) EMPLOYERS OUTSIDE OF LOCAL AREAS.—The industry council may include, or otherwise provide for consultation with, employers from outside the local area who are likely to hire a significant number of enrollees from the Job Corps center.''.

(c) INDICATORS OF PERFORMANCE AND ADDITIONAL INFORMATION.—Section 159(c) (29 U.S.C. 2893(c)) is amended—

(1) by amending paragraph (1) to read as follows:

''(1) CORE INDICATORS.—The Secretary shall annually establish expected levels of performance for Job Corps centers and the Job Corps program relating to each of the core indicators for youth identified in section 136(b)(2)(A)(ii).''; and

(2) in paragraph (2), by striking ''measures'' each place it appears and inserting ''indicators''.

SEC. 116. NATIVE AMERICAN PROGRAMS.

(a) AUTHORIZED ACTIVITIES.—Section 166(d)(2) (29 U.S.C. 2911(d)(2)) is amended to read as follows:

''(2) WORKFORCE INVESTMENT ACTIVITIES AND SUPPLEMENTAL SERVICES.—Funds made available under subsection (c) shall be used for—

''(A) comprehensive workforce investment activities for Indians or Native Hawaiians; or

''(B) supplemental services for Indian or Native Hawaiian youth on or near Indian reservations and in Oklahoma, Alaska, or Hawaii.''.

(b) ADVISORY COUNCIL.—Section 166(h)(4)(C) (29 U.S.C. 2911(h)(4)(C)) is amended to read as follows:

''(C) DUTIES.—The Council shall advise the Secretary on the operation and administration of the programs assisted under this section.''.

(c) ASSISTANCE TO AMERICAN SAMOANS IN HAWAII.—Section 166 (29 U.S.C. 2911) is further amended by striking subsection (j).

SEC. 117. YOUTH CHALLENGE GRANTS.

Section 169 (29 U.S.C. 2914) is amended to read as follows:

''SEC. 169. YOUTH CHALLENGE GRANTS.

''(a) IN GENERAL.—Of the amounts reserved by the Secretary under section 127(a)(1)(A) for a fiscal year—

''(1) the Secretary shall use not less than 80 percent to award competitive grants under subsection (b); and

''(2) the Secretary may use not more than 20 percent to award discretionary grants under subsection (c).

''(b) COMPETITIVE GRANTS TO STATES AND LOCAL AREAS.—

''(1) ESTABLISHMENT.—From the funds described in subsection (a)(1), the Secretary shall award competitive grants to eligible entities to carry out activities authorized under this section to assist eligible youth in acquiring the skills, credentials and employment experience necessary to succeed in the labor market.

''(2) ELIGIBLE ENTITIES.—Grants under this subsection may be awarded to States, local boards, recipients of grants under section 166 (relating to Native American programs), and public or private entities (including consortia of such entities) applying in conjunction with local boards.

''(3) GRANT PERIOD.—The Secretary may make a grant under this section for a period of 1 year and may renew the grants for each of the 4 succeeding years.

''(4) AUTHORITY TO REQUIRE MATCH.—The Secretary may require that grantees under this subsection provide a non-Federal share of the cost of activities carried out under a grant awarded under this subsection.

''(5) PARTICIPANT ELIGIBILITY.—Youth ages 14 through 19 as of the time the eligibility determination is made may be eligible to participate in activities provided under this subsection.

''(6) USE OF FUNDS.—Funds under this subsection may be used for activities that are designed to assist youth in acquiring the skills, credentials and employment experience that are necessary to succeed in the labor market, including the activities identified in section 129. The activities may include activities such as—

''(A) training and internships for out-of-school youth in sectors of economy experiencing or projected to experience high growth;

''(B) after-school dropout prevention activities for in-school youth;

''(C) activities designed to assist special youth populations, such as court-involved youth and youth with disabilities; and

''(D) activities combining remediation of academic skills, work readiness training, and work experience, and including linkages to postsecondary education, apprenticeships, and career-ladder employment.

''(7) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(A) a description of the activities the eligible entity will provide to eligible youth under this subsection;

''(B) a description of the programs of demonstrated effectiveness on which the provision of the activities under subparagraph (A) are based, and a description of how such activities will expand the base of knowledge relating to the provision of activities for youth;

''(C) a description of the private and public, and local and State resources that will be leveraged to provide the activities described under subparagraph (A) in addition the funds provided under this subsection; and

''(D) the levels of performance the eligible entity expects to achieve with respect to the indicators of performance for youth specified in section 136(b)(2)(A)(ii).

''(8) FACTORS FOR AWARD.—In awarding grants under this subsection the Secretary may consider the quality of the proposed project, the goals to be achieved, the likelihood of successful implementation, the extent to which the project is based on proven strategies or the extent to which the project will expand the knowledge base on activities for youth, and the additional State, local or private resources that will be provided.

''(9) EVALUATION.—The Secretary may reserve up to 5 percent of the funds described in subsection(a)(1) to provide technical assistance to, and conduct evaluations of the projects funded under this subsection (using appropriate techniques as described in section 172(c)).

''(c) DISCRETIONARY GRANTS FOR YOUTH ACTIVITIES.—

''(1) IN GENERAL.—From the funds described in subsection(a)(2), the Secretary may award grants to eligible entities to provide activities that will assist youth in preparing for, and entering and retaining, employment.

''(2) ELIGIBLE ENTITIES.—Grants under this subsection may be awarded to public or private entities that the Secretary determines would effectively carry out activities relating to youth under this subsection.

''(3) PARTICIPANT ELIGIBILITY.—Youth ages 14 through 19 at the time the eligibility determination is made may be eligible to participate in activities under this subsection.

''(4) USE OF FUNDS.—Funds provided under this subsection may be used for activities that will assist youth in preparing for, and entering and retaining, employment, including the activities described in section 129 for out-of-school youth, activities designed to assist in-school youth to stay in school and gain work experience, and such other activities that the Secretary determines are appropriate.

''(5) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(6) ADDITIONAL REQUIREMENTS.—The Secretary may require the provision of a non-Federal share for projects funded under this subsection and may require participation of grantees in evaluations of such projects, including evaluations using the techniques as described in section 172(c).''.

SEC. 118. TECHNICAL ASSISTANCE.

Section 170 (29 U.S.C. 2915) is amended—

(1) by striking subsection (b);

(2) by striking ''(a) GENERAL TECHNICAL ASSISTANCE.—'';

(3) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c) respectively, and moving such subsections 2 ems to the left; and

(4) in subsection (a) (as redesignated by paragraph (3))—

(A) by inserting ''the training of staff providing rapid response services, the training of other staff of recipients of funds under this title, peer review activities under this title,'' after ''localities,''; and

(B) by striking ''from carrying out activities'' and all that follows up to the period and inserting ''to implement the amendments made by the Workforce Reinvestment and Adult Education Act of 2003''.

SEC. 119. DEMONSTRATION, PILOT, MULTISERVICE, RESEARCH AND MULTISTATE PROJECTS.

(a) DEMONSTRATION AND PILOT PROJECTS.—Section 171(b) (29 U.S.C. 2916(b)) is amended—

(1) in paragraph (1)—

(A) by striking ''Under a'' and inserting ''Consistent with the priorities specified in the'';

(B) by amending subparagraphs (A) through (D) to read as follows:

''(A) projects that assist national employers in connecting with the workforce investment system established under this title in order to facilitate the recruitment and employment of needed workers and to provide information to such system on skills and occupations in demand;

''(B) projects that promote the development of systems that will improve the effectiveness and efficiency of programs carried out under this title;

''(C) projects that focus on opportunities for employment in industries and sectors of industries that are experiencing or are likely to experience high rates of growth;

''(D) projects carried out by States and local areas to test innovative approaches to delivering employment-related services;'';

(C) by striking subparagraph (E);

(D) by redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively;

(E) by inserting after subparagraph (F) (as so redesignated) the following:

''(G) projects that provide retention grants to qualified job training programs upon placement or retention of a low-income individual trained by that program in employment with a single employer for a period of 1 year, provided that such employment is providing to the low-income individual an income not less than twice the poverty line for that individual.''; and

(F) by striking subparagraph (H); and

(2) in paragraph (2)—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraph (C) as subparagraph (B).

(b) MULTISERVICE PROJECTS.—Section 171(c)(2)(B) (29 U.S.C. 2916(c)(2)(B)) is amended to read as follows:

''(B) NET IMPACT STUDIES AND REPORTS.—The Secretary shall conduct studies to determine the net impacts of programs, services, and activities carried out under this title. The Secretary shall prepare and disseminate to the public reports containing the results of such studies.''.

(c) WAIVER AUTHORITY TO CARRY OUT DEMONSTRATIONS AND EVALUATIONS.—Section 171 (29 U.S.C. 2916(d)) is further amended by striking subsection (d).

SEC. 120. EVALUATIONS.

(a) IN GENERAL.—Section 173 (29 U.S.C. 2916) is amended—

(1) by amending the designation and heading to read as follows:

''SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.'';

and

(2) in subsection (a)—

(A) by striking ''national emergency grants'' in the matter preceding paragraph (1) and inserting ''national dislocated worker grants''; and

(B) in paragraph (1), by striking ''subsection (c)'' and inserting ''subsection (b)''.

(b) ADMINISTRATION.—Section 173 (29 U.S.C. 2918) is further amended—

(1) by striking subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (c), respectively; and

(2) by striking subsection (e) and redesignating subsections (f) and (g) as subsection (d) and (e), respectively.

(c) ELIGIBLE ENTITIES.—Section 173(b)(1)(B) (29 U.S.C. 2918(b)(1)(B)) (as redesignated by subsection (b) of this section) is amended by striking '', and other entities'' and all that follows and inserting a period.

(d) CONFORMING AMENDMENT.—The table of contents in section 1(b) is amended by amending the item related to section 173 to read as follows:

''Sec. 173. National dislocated worker grants.''.

SEC. 121. AUTHORIZATION OF APPROPRIATIONS FOR NATIONAL ACTIVITIES.

(a) IN GENERAL.—Section 174(a)(1) (29 U.S.C. 2919(a)(1)) is amended by striking ''1999 through 2003'' and inserting ''2004 through 2009''.

(b) RESERVATIONS.—Section 174(b) is amended to read as follows:

''(b) TECHNICAL ASSISTANCE; DEMONSTRATION AND PILOT PROJECTS; EVALUATIONS; INCENTIVE GRANTS.—There are authorized to be appropriated to carry out sections 170 through 172 and section 136 such sums as may be necessary for each of fiscal years 2004 through 2009.''.

SEC. 122. REQUIREMENTS AND RESTRICTIONS.

(a) IN GENERAL.—Section 181(c)(2)(A) (29 U.S.C. 2931(c)(2)(A)) is amended in the matter preceding clause (i) by striking ''shall'' and inserting ''may''.

(b) LIMITATIONS.—Section 181(e) is amended by striking the first sentence.

SEC. 123. NONDISCRIMINATION.

Section 188(a)(2) (29 U.S.C. 2931(a)(2)) is amended—

(1) by striking ''EMPLOYMENT.—No'' and inserting ''EMPLOYMENT.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), no''; and

(2) by adding at the end the following subparagraph:

''(B) EXEMPTION FOR RELIGIOUS ORGANIZATIONS.—Subparagraph (A) shall not apply to recipients of financial assistance under this title that is a religious corporation, association, educational institution, or society, with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution, or society of its activities Such recipients shall comply with the other requirements contained in subparagraph (A).''.

SEC. 124. ADMINISTRATIVE PROVISIONS.

(a) PROGRAM YEAR.—Section 189(g)(1) (29 U.S.C. 2939(g)(1)) is amended to read as follows:

''(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities carried out under this title shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.''.

(b) AVAILABILITY.—Section 189(g)(2) (29 U.S.C. 2939(g)(2)) is amended by striking ''each State'' and inserting ''each recipient''.

(c) GENERAL WAIVERS.—Section 189(i)(4) (29 U.S.C. 2939(i)(4)) is amended—

(1) in subparagraph (A), in the matter preceding clause (i), by inserting '', or in accordance with subparagraph (D),'' after ''subparagraph (B)''; and

(2) by adding the following subparagraph:

''(D) EXPEDITED PROCESS FOR EXTENDING APPROVED WAIVERS TO ADDITIONAL STATES.—In lieu of the requirements of subparagraphs (B) and (C), the Secretary may establish an expedited procedure for the purpose of extending to additional States the waiver of statutory or regulatory requirements that have been approved for a State pursuant to a request under subparagraph (B). Such procedure shall ensure that the extension of such waivers to additional States are accompanied by appropriate conditions relating the implementation of such waivers.''.

SEC. 125. GENERAL PROGRAM REQUIREMENTS.

Section 195 (29 U.S.C. 2945) is amended by adding at the end the following new paragraph:

''(14) Funds provided under this title shall not be used to establish or operate stand-alone fee-for-service enterprises that compete with private sector employment agencies within the meaning of section 701(c) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(c)). For purposes of this paragraph, such an enterprise does not include one-stop centers.''.

TITLE II—ADULT EDUCATION

PART A—ADULT BASIC SKILLS AND FAMILY LITERACY EDUCATION

SEC. 201. TABLE OF CONTENTS.

The table of contents in section 1(b) is amended by amending the items relating to title II to read as follows:

SEC. 202. AMENDMENT.

Title II is amended to read as follows:

''TITLE II—ADULT BASIC SKILLS AND FAMILY LITERACY EDUCATION

''SEC. 201. SHORT TITLE.

''This title may be cited as the 'Adult Basic Skills and Family Literacy Education Act'.

''SEC. 202. PURPOSE.

''It is the purpose of this title to provide instructional opportunities for adults seeking to improve their basic reading, writing, speaking, and math skills, and support States and local communities in providing, on a voluntary basis, adult basic skills and family literacy programs, in order to—

''(1) increase the basic reading, writing, speaking, and math skills necessary for adults to obtain employment and self-sufficiency and to successfully advance in the workforce;

''(2) assist adults in the completion of a secondary school education (or its equivalent) and the transition to a postsecondary educational institution;

''(3) increase the basic reading, writing, speaking, and math skills of parents to enable them to support the educational development of their children and make informed choices regarding their children's education; and

''(4) assist immigrants who are not proficient in English in improving their reading, writing, speaking, and math skills and acquiring an understanding of the American free enterprise system, individual freedom, and the responsibilities of citizenship.

''SEC. 203. DEFINITIONS.

''In this title:

''(1) ADULT BASIC SKILLS AND FAMILY LITERACY EDUCATION PROGRAMS.—The term 'adult basic skills and family literacy education programs' means a sequence of academic instruction and educational services below the postsecondary level that increase an individual's ability to read, write, and speak in English and perform mathematical computations leading to a level of proficiency equivalent to secondary school completion that is provided for individuals—

''(A) who are at least 16 years of age;

''(B) who are not enrolled or required to be enrolled in secondary school under State law; and

''(C) who—

''(i) lack sufficient mastery of basic reading, writing, speaking, and math skills to enable the individuals to function effectively in society;

''(ii) do not have a secondary school diploma or the General Equivalency Diploma (GED) (including recognized alternative standards for individuals with disabilities), and have not achieved an equivalent level of education; or

''(iii) are unable to read, write, or speak the English language.

''(2) ELIGIBLE AGENCY.—The term 'eligible agency'—

''(A) means the sole entity or agency in a State or an outlying area responsible for administering or supervising policy for adult basic skills and family literacy education programs in the State or outlying area, respectively, consistent with the law of the State or outlying area, respectively; and

''(B) may be the State educational agency, the State agency responsible for administering workforce investment activities, or the State agency responsible for administering community or technical colleges.

''(3) ELIGIBLE PROVIDER.—The term 'eligible provider' means—

''(A) a local educational agency;

''(B) a community-based or faith-based organization of demonstrated effectiveness;

''(C) a volunteer literacy organization of demonstrated effectiveness;

''(D) an institution of higher education;

''(E) a public or private educational agency;

''(F) a library;

''(G) a public housing authority;

''(H) an institution that is not described in any of subparagraphs (A) through (G) and has the ability to provide adult basic skills and family literacy education programs to adults and families; or

''(I) a consortium of the agencies, organizations, institutions, libraries, or authorities described in any of subparagraphs (A) through (H).

''(4) ENGLISH LANGUAGE ACQUISITION PROGRAM.—The term 'English language acquisition program' means a program of instruction designed to help individuals with limited English proficiency achieve competence in reading, writing, and speaking the English language.

''(5) ESSENTIAL COMPONENTS OF READING INSTRUCTION.—The term 'essential components of reading instruction' has the meaning given to that term in section 1208 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6368).

''(6) FAMILY LITERACY EDUCATION PROGRAMS.—The term 'family literacy education programs' means educational programs that—

''(A) assist parents and students, on a voluntary basis, in achieving the purposes of this title as described in section 202; and

''(B) are of sufficient intensity in terms of hours and of sufficient duration to make sustainable changes in a family, are based upon scientific research-based principles, and for the

purpose of substantially increasing the ability of parents and children to read, write, and speak English integrate—

''(i) interactive literacy activities between parents and their children;

''(ii) training for parents regarding how to be the primary teacher for their children and full partners in the education of their children;

''(iii) parent literacy training that leads to economic self-sufficiency; and

''(iv) an age-appropriate education to prepare children for success in school and life experiences.

''(7) GOVERNOR.—The term 'Governor' means the chief executive officer of a State or outlying area.

''(8) INDIVIDUAL WITH A DISABILITY.—

''(A) IN GENERAL.—The term 'individual with a disability' means an individual with any disability (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).

''(B) INDIVIDUALS WITH DISABILITIES.—The term 'individuals with disabilities' means more than one individual with a disability.

''(9) INDIVIDUAL WITH LIMITED ENGLISH PROFICIENCY.—The term 'individual with limited English proficiency' means an adult or out-of-school youth who has limited ability in reading, writing, speaking, or understanding the English language, and—

''(A) whose native language is a language other than English; or

''(B) who lives in a family or community environment where a language other than English is the dominant language.

''(10) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given to that term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

''(11) LITERACY.—The term 'literacy' means the ability to read, write, and speak the English language with competence, knowledge, and comprehension.

''(12) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given to that term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

''(13) OUTLYING AREA.—The term 'outlying area' has the meaning given to that term in section 101 of this Act.

''(14) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term 'postsecondary educational institution' means—

''(A) an institution of higher education that provides not less than a 2-year program of instruction that is acceptable for credit toward a bachelor's degree;

''(B) a tribally controlled community college; or

''(C) a nonprofit educational institution offering certificate or apprenticeship programs at the postsecondary level.

''(15) READING.—The term 'reading' has the meaning given to that term in section 1208 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6368).

''(16) SCIENTIFICALLY BASED READING RESEARCH.—The term 'scientifically based reading research' has the meaning given to that term in section 1208 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6368).

''(17) SECRETARY.—The term 'Secretary' means the Secretary of Education.

''(18) STATE.—The term 'State' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

''(19) STATE EDUCATIONAL AGENCY.—The term 'State educational agency' has the meaning given to that term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

''(20) WORKPLACE LITERACY PROGRAM.—The term 'workplace literacy program' means an educational program that is offered in collaboration between eligible providers and employers or employee organizations for the purpose of improving the productivity of the workforce through the improvement of reading, writing, speaking, and math skills.

''SEC. 204. HOME SCHOOLS.

''Nothing in this title shall be construed to affect home schools, whether or not a home school is treated as a home school or a private school under State law, or to compel a parent engaged in home schooling to participate in an English language acquisition program, a family literacy education program, or an adult basic skills and family literacy education program.

''SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this title $584,300,000 for fiscal year 2004 and such sums as may be necessary for fiscal years 2005 through 2009.

''CHAPTER 1—FEDERAL PROVISIONS

''SEC. 211. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE AGENCIES; ALLOTMENTS.

''(a) RESERVATION OF FUNDS.—From the sums appropriated under section 205 for a fiscal year, the Secretary—

''(1) shall reserve 1.75 percent to carry out the National Institute for Literacy Establishment Act;

''(2) shall reserve up to 1.72 percent for incentive grants under section 213; and

''(3) shall reserve up to 1.55 percent to carry out section 242.

''(b) GRANTS TO ELIGIBLE AGENCIES.—

''(1) IN GENERAL.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall award a grant to each eligible agency having a State plan approved under section 224 in an amount equal to the sum of the initial allotment under subsection (c)(1) and the additional allotment under subsection (c)(2) for the eligible agency for the fiscal year, subject to subsections (f) and (g).

''(2) PURPOSE OF GRANTS.—The Secretary may award a grant under paragraph (1) only if the eligible agency involved agrees to expend the grant in accordance with the provisions of this title.

''(c) ALLOTMENTS.—

''(1) INITIAL ALLOTMENTS.—From the sums appropriated under section 205 and not reserved under subsection (a) for a fiscal year, the Secretary shall allot to each eligible agency having a State plan approved under section 224—

''(A) $100,000, in the case of an eligible agency serving an outlying area; and

''(B) $250,000, in the case of any other eligible agency.

''(2) ADDITIONAL ALLOTMENTS.—From the sums appropriated under section 205, not reserved under subsection (a), and not allotted under paragraph (1), for a fiscal year, the Secretary shall allot to each eligible agency that receives an initial allotment under paragraph (1) an additional amount that bears the same relationship to such sums as the number of qualifying adults in the State or outlying area served by the eligible agency bears to the number of such adults in all States and outlying areas.

''(d) QUALIFYING ADULT.—For the purpose of subsection (c)(2), the term 'qualifying adult' means an adult who—

''(1) is at least 16 years of age;

''(2) is beyond the age of compulsory school attendance under the law of the State or outlying area;

''(3) does not have a secondary school diploma or the General Equivalency Diploma (GED) (including recognized alternative standards for individuals with disabilities); and

''(4) is not enrolled in secondary school.

''(e) SPECIAL RULE.—

''(1) IN GENERAL.—From amounts made available under subsection (c) for the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau, the Secretary shall award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau to carry out activities described in this title in accordance with the provisions of this title as determined by the Secretary.

''(2) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau shall be eligible to receive a grant under this title until an agreement for the extension of United States education assistance under the Compact of Free Association for each of the Freely Associated States becomes effective.

''(3) ADMINISTRATIVE COSTS.—The Secretary may provide not more than 5 percent of the funds made available for grants under this subsection to pay the administrative costs of the Pacific Region Educational Laboratory regarding activities assisted under this subsection.

''(f) HOLD-HARMLESS PROVISIONS.—

''(1) IN GENERAL.—Notwithstanding subsection (c), and subject to paragraphs (2) and (3), for fiscal year 2004 and each succeeding fiscal year, no eligible agency shall receive an allotment under this title that is less than 90 percent of the allotment the eligible agency received for the preceding fiscal year under this title.

''(2) EXCEPTION.—An eligible agency that receives for the preceding fiscal year only an initial allotment under subsection 211(c)(1) (and no additional allotment under 211(c)(2)) shall receive an allotment equal to 100 percent of the initial allotment.

''(3) RATABLE REDUCTION.—If for any fiscal year the amount available for allotment under this title is insufficient to satisfy the provisions of paragraph (1), the Secretary shall ratably reduce the payments to all eligible agencies, as necessary.

''(g) REALLOTMENT.—The portion of any eligible agency's allotment under this title for a fiscal year that the Secretary determines will not be required for the period such allotment is available for carrying out activities under this title, shall be available for reallotment from time to time, on such dates during such period as the Secretary shall fix, to other eligible agencies in proportion to the original allotments to such agencies under this title for such year.

''SEC. 212. PERFORMANCE ACCOUNTABILITY SYSTEM.

''(a) PURPOSE.—The purpose of this section is to establish a comprehensive performance accountability system, composed of the activities described in this section, to assess the effectiveness of eligible agencies in achieving continuous improvement of adult basic skills and family literacy education programs funded under this title, in order to optimize the return on investment of Federal funds in adult basic skills and family literacy education programs.

''(b) ELIGIBLE AGENCY PERFORMANCE MEASURES.—

''(1) IN GENERAL.—For each eligible agency, the eligible agency performance measures shall consist of—

''(A)(i) the core indicators of performance described in paragraph (2)(A); and

''(ii) employment performance indicators identified by the eligible agency under paragraph (2)(B); and

''(B) an eligible agency adjusted level of performance for each indicator described in subparagraph (A).

''(2) INDICATORS OF PERFORMANCE.—

''(A) CORE INDICATORS OF PERFORMANCE.—The core indicators of performance shall include the following:

''(i) Measurable improvements in basic skill levels in reading, writing, and speaking the English language and math, and English language acquisition leading to proficiency in each skill.

''(ii) Receipt of a secondary school diploma or the General Equivalency Diploma (GED) (including recognized alternative standards for individuals with disabilities).

''(iii) Placement in postsecondary education or other training programs.

''(B) EMPLOYMENT PERFORMANCE INDICATORS.—Consistent with applicable Federal and State privacy laws, an eligible agency shall identify in the State plan the following individual participant employment performance indicators—

''(i) entry into employment;

''(ii) retention in employment; and

''(iii) increase in earnings.

''(3) LEVELS OF PERFORMANCE.—

''(A) ELIGIBLE AGENCY ADJUSTED LEVELS OF PERFORMANCE FOR CORE INDICATORS.—

''(i) IN GENERAL.—For each eligible agency submitting a State plan, there shall be established, in accordance with this subparagraph, levels of performance for each of the core indicators of performance described in paragraph (2)(A) for adult basic skills and family literacy education programs authorized under this title. The levels of performance established under this subparagraph shall, at a minimum—

''(I) be expressed in an objective, quantifiable, and measurable form; and

''(II) show the progress of the eligible agency toward continuously and significantly improving the agency's performance outcomes in an objective, quantifiable, and measurable form.

''(ii) IDENTIFICATION IN STATE PLAN.—Each eligible agency shall identify, in the State plan submitted under section 224, expected levels of performance for each of the core indicators of performance for the first 3 program years covered by the State plan.

''(iii) AGREEMENT ON ELIGIBLE AGENCY ADJUSTED LEVELS OF PERFORMANCE FOR FIRST 3 YEARS.—In order to ensure an optimal return on the investment of Federal funds in adult basic skills and family literacy education programs authorized under this title, the Secretary and each eligible agency shall reach agreement on levels of student proficiency for each of the core indicators of performance, for the first 3 program years covered by the State plan, taking into account the levels identified in the State plan under clause (ii) and the factors described in clause (iv). The levels agreed to under this clause shall be considered to be the eligible agency adjusted levels of performance for the eligible agency for such years and shall be incorporated into the State plan prior to the approval of such plan.

''(iv) FACTORS.—The agreement described in clause (iii) or (v) shall take into account—

''(I) how the levels involved compare with the eligible agency's adjusted levels of performance, taking into account factors including the characteristics of participants when the participants entered the program; and

''(II) the extent to which such levels promote continuous and significant improvement in performance on the student proficiency measures used by such eligible agency and ensure optimal return on the investment of Federal funds.

''(v) AGREEMENT ON ELIGIBLE AGENCY ADJUSTED LEVELS OF PERFORMANCE FOR SECOND 3 YEARS.—Prior to the fourth program year covered by the State plan, the Secretary and each eligible agency shall reach agreement on levels of student proficiency for each of the core indicators of performance for the fourth, fifth, and sixth program years covered by the State plan, taking into account the factors described in clause (iv). The levels agreed to under this clause shall be considered to be the eligible agency adjusted levels of performance for the eligible agency for such years and shall be incorporated into the State plan.

''(vi) REVISIONS.—If unanticipated circumstances arise in a State resulting in a significant change in the factors described in clause (iv)(I), the eligible agency may request that the eligible agency adjusted levels of performance agreed to under clause (iii) or (v) be revised.

''(B) LEVELS OF EMPLOYMENT PERFORMANCE.—The eligible agency shall identify, in the State plan, eligible agency levels of performance for each of the employment performance indicators described in paragraph (2)(B). Such levels shall be considered to be eligible agency adjusted levels of performance for purposes of this title.

''(c) REPORT.—

''(1) IN GENERAL.—Each eligible agency that receives a grant under section 211(b) shall annually prepare and submit to the Secretary, the Governor, the State legislature, eligible providers, and the general public within the State, a report on the progress of the eligible agency in achieving eligible agency performance measures, including the following:

''(A) Information on the levels of performance achieved by the eligible agency with respect to the core indicators of performance and employment performance indicators.

''(B) The number and type of each eligible provider that receives funding under such grant.

''(2) INFORMATION DISSEMINATION.—The Secretary—

''(A) shall make the information contained in such reports available to the general public through publication and other appropriate methods;

''(B) shall disseminate State-by-State comparisons of the information; and

''(C) shall provide the appropriate committees of the Congress with copies of such reports.

''SEC. 213. INCENTIVE GRANTS FOR STATES.

''(a) IN GENERAL.—From funds appropriated under section 211(a)(2), the Secretary may award grants to States for exemplary performance in carrying out programs under this title. Such awards shall be based on States meeting or exceeding the core indicators of performance established under section 212(b)(2)(A) and may be based on the performance of the State in serving populations, such as those described in section 224(b)(10), including the levels of service provided and the performance outcomes, and such other factors relating to the performance of the State under this title as the Secretary determines appropriate.

''(b) USE OF FUNDS.—The funds awarded to a State under this paragraph may be used to carry out any activities authorized under this title, including demonstrations and innovative programs for hard-to-serve populations.

''CHAPTER 2—STATE PROVISIONS

''SEC. 221. STATE ADMINISTRATION.

''Each eligible agency shall be responsible for the following activities under this title:

''(1) The development, submission, implementation, and monitoring of the State plan.

''(2) Consultation with other appropriate agencies, groups, and individuals that are involved in, or interested in, the development and implementation of activities assisted under this title.

''(3) Coordination and avoidance of duplication with other Federal and State education, training, corrections, public housing, and social service programs.

''SEC. 222. STATE DISTRIBUTION OF FUNDS; MATCHING REQUIREMENT.

''(a) STATE DISTRIBUTION OF FUNDS.—Each eligible agency receiving a grant under this title for a fiscal year—

''(1) shall use an amount not less than 82.5 percent of the grant funds to award grants and contracts under section 231 and to carry out section 225, of which not more than 10 percent of such amount shall be available to carry out section 225;

''(2) shall use not more than 12.5 percent of the grant funds to carry out State leadership activities under section 223; and

''(3) shall use not more than 5 percent of the grant funds, or $75,000, whichever is greater, for the administrative expenses of the eligible agency.

''(b) MATCHING REQUIREMENT.—

''(1) IN GENERAL.—In order to receive a grant from the Secretary under section 211(b), each eligible agency shall provide, for the costs to be incurred by the eligible agency in carrying out the adult basic skills and family literacy education programs for which the grant is awarded, a non-Federal contribution in an amount at least equal to—

''(A) in the case of an eligible agency serving an outlying area, 12 percent of the total amount of funds expended for adult basic skills and family literacy education programs in the outlying area, except that the Secretary may decrease the amount of funds required under this subparagraph for an eligible agency; and

''(B) in the case of an eligible agency serving a State, 25 percent of the total amount of funds expended for adult basic skills and family literacy education programs in the State.

''(2) NON-FEDERAL CONTRIBUTION.—An eligible agency's non-Federal contribution required under paragraph (1) may be provided in cash or in kind, fairly evaluated, and shall include only non-Federal funds that are used for adult basic skills and family literacy education programs in a manner that is consistent with the purpose of this title.

''SEC. 223. STATE LEADERSHIP ACTIVITIES.

''(a) IN GENERAL.—Each eligible agency may use funds made available under section 222(a)(2) for any of the following adult basic skills and family literacy education programs:

''(1) The establishment or operation of professional development programs to improve the quality of instruction provided pursuant to local activities required under section 231(b), including instruction incorporating the essential components of reading instruction and instruction provided by volunteers or by personnel of a State or outlying area.

''(2) The provision of technical assistance to eligible providers of adult basic skills and family literacy education programs for development and dissemination of scientific research-based instructional practices in reading, writing, speaking, math, and English language acquisition programs.

''(3) The provision of assistance to eligible providers in developing, implementing, and reporting measurable progress in achieving the objectives of this title.

''(4) The provision of technology assistance, including staff training, to eligible providers of adult basic skills and family literacy education programs, including distance learning activities, to enable the eligible providers to improve the quality of such activities.

''(5) The development and implementation of technology applications or distance learning, including professional development to support the use of instructional technology.

''(6) Coordination with other public programs, including welfare-to-work, workforce development, and job training programs.

''(7) Coordination with existing support services, such as transportation, child care, and other assistance designed to increase rates of enrollment in, and successful completion of, adult basic skills and family literacy education programs, for adults enrolled in such activities.

''(8) The development and implementation of a system to assist in the transition from adult basic education to postsecondary education.

''(9) Activities to promote workplace literacy programs.

''(10) Activities to promote and complement local outreach initiatives described in section 242(7).

''(11) Other activities of statewide significance, including assisting eligible agencies in achieving progress in improving the skill levels of adults who participate in programs under this title.

''(b) COORDINATION.—In carrying out this section, eligible agencies shall coordinate where possible, and avoid duplicating efforts, in order to maximize the impact of the activities described in subsection (a).

''(c) STATE-IMPOSED REQUIREMENTS.—Whenever a State or outlying area implements any

rule or policy relating to the administration or operation of a program authorized under this title that has the effect of imposing a requirement that is not imposed under Federal law (including any rule or policy based on a State or outlying area interpretation of a Federal statute, regulation, or guideline), the State or outlying area shall identify, to eligible providers, the rule or policy as being imposed by the State or outlying area.

''SEC. 224. STATE PLAN.

''(a) 6-YEAR PLANS.—

''(1) IN GENERAL.—Each eligible agency desiring a grant under this title for any fiscal year shall submit to, or have on file with, the Secretary a 6-year State plan.

''(2) COMPREHENSIVE PLAN OR APPLICATION.—The eligible agency may submit the State plan as part of a comprehensive plan or application for Federal education assistance.

''(b) PLAN CONTENTS.—The eligible agency shall include in the State plan or any revisions to the State plan—

''(1) an objective assessment of the needs of individuals in the State or outlying area for adult basic skills and family literacy education programs, including individuals most in need or hardest to serve;

''(2) a description of the adult basic skills and family literacy education programs that will be carried out with funds received under this title;

''(3) a description of how the eligible agency will evaluate and measure annually the effectiveness and improvement of the adult basic skills and family literacy education programs based on the performance measures described in section 212 including—

''(A) how the eligible agency will evaluate and measure annually such effectiveness on a grant-by-grant basis; and

''(B) how the eligible agency—

''(i) will hold eligible providers accountable regarding the progress of such providers in improving the academic achievement of participants in adult education programs under this title and regarding the core indicators of performance described in section 212(b)(2)(A); and

''(ii) will use technical assistance, sanctions, and rewards (including allocation of grant funds based on performance and termination of grant funds based on nonperformance);

''(4) a description of the performance measures described in section 212 and how such performance measures have significantly improved adult basic skills and family literacy education programs in the State or outlying area;

''(5) an assurance that the eligible agency will, in addition to meeting all of the other requirements of this title, award not less than one grant under this title to an eligible provider that—

''(A) offers flexible schedules and necessary support services (such as child care and transportation) to enable individuals, including individuals with disabilities, or individuals with other special needs, to participate in adult basic skills and family literacy education programs; and

''(B) attempts to coordinate with support services that are not provided under this title prior to using funds for adult basic skills and family literacy education programs provided under this title for support services;

''(6) an assurance that the funds received under this title will not be expended for any purpose other than for activities under this title;

''(7) a description of how the eligible agency will fund local activities in accordance with the measurable goals described in section 231(d);

''(8) an assurance that the eligible agency will expend the funds under this title only in a manner consistent with fiscal requirements in section 241;

''(9) a description of the process that will be used for public participation and comment with respect to the State plan, which process—

''(A) shall include consultation with the State workforce investment board, the State board responsible for administering community or technical colleges, the Governor, the State educational agency, the State board or agency responsible for administering block grants for temporary assistance to needy families under title IV of the Social Security Act, the State council on disabilities, the State vocational rehabilitation agency, other State agencies that promote the improvement of adult basic skills and family literacy education programs, and direct providers of such programs; and

''(B) may include consultation with the State agency on higher education, institutions responsible for professional development of adult basic skills and family literacy education programs instructors, representatives of business and industry, refugee assistance programs, and faith-based organizations;

''(10) a description of the eligible agency's strategies for serving populations that include, at a minimum—

''(A) low-income individuals;

''(B) individuals with disabilities;

''(C) the unemployed;

''(D) the underemployed; and

''(E) individuals with multiple barriers to educational enhancement, including individuals with limited English proficiency;

''(11) a description of how the adult basic skills and family literacy education programs that will be carried out with any funds received under this title will be integrated with other adult education, career development, and employment and training activities in the State or outlying area served by the eligible agency;

''(12) a description of the steps the eligible agency will take to ensure direct and equitable access, as required in section 231(c)(1), including—

''(A) how the State will build the capacity of community-based and faith-based organizations to provide adult basic skills and family literacy education programs; and

''(B) how the State will increase the participation of business and industry in adult basic skills and family literacy education programs; and

''(13) a description of how the eligible agency will consult with any State agency responsible for postsecondary education to develop adult education that prepares students to enter postsecondary education without the need for remediation upon completion of secondary school equivalency programs.

''(c) PLAN REVISIONS.—When changes in conditions or other factors require substantial revisions to an approved State plan, the eligible agency shall submit the revisions of the State plan to the Secretary.

''(d) CONSULTATION.—The eligible agency shall—

''(1) submit the State plan, and any revisions to the State plan, to the Governor, the chief State school officer, or the State officer responsible for administering community or technical colleges, or outlying area for review and comment; and

''(2) ensure that any comments regarding the State plan by the Governor, the chief State school officer, or the State officer responsible for administering community or technical colleges, and any revision to the State plan, are submitted to the Secretary.

''(e) PLAN APPROVAL.—A State plan submitted to the Secretary shall be approved by the Secretary only if the plan is consistent with the specific provisions of this title.

''SEC. 225. PROGRAMS FOR CORRECTIONS EDUCATION AND OTHER INSTITUTIONALIZED INDIVIDUALS.

''(a) PROGRAM AUTHORIZED.—From funds made available under section 222(a)(1) for a fiscal year, each eligible agency shall carry out corrections education and education for other institutionalized individuals.

''(b) USES OF FUNDS.—The funds described in subsection (a) shall be used for the cost of educational programs for criminal offenders in correctional institutions and for other institutionalized individuals, including academic programs for—

''(1) basic skills education;

''(2) special education programs as determined by the eligible agency;

''(3) reading, writing, speaking, and math programs; and

''(4) secondary school credit or diploma programs or their recognized equivalent.

''(c) PRIORITY.—Each eligible agency that is using assistance provided under this section to carry out a program for criminal offenders within a correctional institution shall give priority to serving individuals who are likely to leave the correctional institution within 5 years of participation in the program.

''(d) DEFINITION OF CRIMINAL OFFENDER.—For purposes of this section:

''(1) CORRECTIONAL INSTITUTION.—The term 'correctional institution' means any—

''(A) prison;

''(B) jail;

''(C) reformatory;

''(D) work farm;

''(E) detention center; or

''(F) halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders.

''(2) CRIMINAL OFFENDER.—The term 'criminal offender' means any individual who is charged with, or convicted of, any criminal offense.

''CHAPTER 3—LOCAL PROVISIONS

''SEC. 231. GRANTS AND CONTRACTS FOR ELIGIBLE PROVIDERS.

''(a) GRANTS AND CONTRACTS.—From grant funds made available under section 211(b), each eligible agency shall award multiyear grants or contracts, on a competitive basis, to eligible providers within the State or outlying area that meet the conditions and requirements of this title to enable the eligible providers to develop, implement, and improve adult basic skills and family literacy education programs within the State.

''(b) LOCAL ACTIVITIES.—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to establish or operate one or more programs of instruction that provide services or instruction in one or more of the following categories:

''(1) Adult basic skills and family literacy education programs, including essential workplace skills (including proficiency in reading, writing, speaking, and math).

''(2) Workplace literacy programs.

''(3) English language acquisition programs.

''(4) family literacy education programs.

''(c) DIRECT AND EQUITABLE ACCESS; SAME PROCESS.—Each eligible agency receiving funds under this title shall ensure that—

''(1) all eligible providers have direct and equitable access to apply for grants or contracts under this section; and

''(2) the same grant or contract announcement process and application process is used for all eligible providers in the State or outlying area.

''(d) MEASURABLE GOALS.—The eligible agency shall require eligible providers receiving a grant or contract under subsection (a) to demonstrate—

''(1) the eligible provider's measurable goals for participant outcomes to be achieved annually on the core indicators of performance and employment performance indicators described in section 212(b)(2);

''(2) the past effectiveness of the eligible provider in improving the basic academic skills of adults and, for eligible providers receiving grants in the prior year, the success of the eligible provider receiving funding under this title in meeting or exceeding its performance goals in the prior year;

''(3) the commitment of the eligible provider to serve individuals in the community who are the most in need of basic academic skills instruction

services, including individuals who are low-income or have minimal reading, writing, speaking, and math skills, or limited English proficiency.

''(4) whether or not the program—

''(A) is of sufficient intensity and duration for participants to achieve substantial learning gains; and

''(B) uses instructional practices that include the essential components of reading instruction;

''(5) whether educational practices are based on scientifically based research;

''(6) whether the activities of the eligible provider effectively employ advances in technology, as appropriate, including the use of computers;

''(7) whether the activities provide instruction in real-life contexts, to ensure that an individual has the skills needed to compete in the workplace and exercise the rights and responsibilities of citizenship;

''(8) whether the activities are staffed by well-trained instructors, counselors, and administrators;

''(9) whether the activities are coordinated with other available resources in the community, such as through strong links with elementary schools and secondary schools, postsecondary educational institutions, one-stop centers, job training programs, community-based and faith-based organizations, and social service agencies;

''(10) whether the activities offer flexible schedules and support services (such as child care and transportation) that are necessary to enable individuals, including individuals with disabilities or other special needs, to attend and complete programs;

''(11) whether the activities include a high-quality information management system that has the capacity to report measurable participant outcomes and to monitor program performance against the performance measures established by the eligible agency;

''(12) whether the local communities have a demonstrated need for additional English language acquisition programs;

''(13) the capacity of the eligible provider to produce valid information on performance results, including enrollments and measurable participant outcomes;

''(14) whether adult basic skills and family literacy education programs offer rigorous reading, writing, speaking, and math content that are based on scientific research; and

''(15) whether applications of technology, and services to be provided by the eligible providers, is of sufficient intensity and duration to increase the amount and quality of learning and lead to measurable learning gains within specified time periods.

''SEC. 232. LOCAL APPLICATION.

''Each eligible provider desiring a grant or contract under this title shall submit an application to the eligible agency containing such information and assurances as the eligible agency may require, including—

''(1) a description of how funds awarded under this title will be spent consistent with the requirements of this title;

''(2) a description of any cooperative arrangements the eligible provider has with other agencies, institutions, or organizations for the delivery of adult basic skills and family literacy education programs; and

''(3) each of the demonstrations required by section 231(d).

''SEC. 233. LOCAL ADMINISTRATIVE COST LIMITS.

''(a) IN GENERAL.—Subject to subsection (b), of the amount that is made available under this title to an eligible provider—

''(1) at least 95 percent shall be expended for carrying out adult basic skills and family literacy education programs; and

''(2) the remaining amount shall be used for planning, administration, personnel and professional development, development of measurable goals in reading, writing, speaking, and math, and interagency coordination.

''(b) SPECIAL RULE.—In cases where the cost limits described in subsection (a) are too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination, the eligible provider may negotiate with the eligible agency in order to determine an adequate level of funds to be used for non-instructional purposes.

''CHAPTER 4—GENERAL PROVISIONS

''SEC. 241. ADMINISTRATIVE PROVISIONS.

''(a) SUPPLEMENT NOT SUPPLANT.—Funds made available for adult basic skills and family literacy education programs under this title shall supplement and not supplant other State or local public funds expended for adult basic skills and family literacy education programs.

''(b) MAINTENANCE OF EFFORT.—

''(1) IN GENERAL.—

''(A) DETERMINATION.—An eligible agency may receive funds under this title for any fiscal year if the Secretary finds that the fiscal effort per student or the aggregate expenditures of such eligible agency for activities under this title, in the second preceding fiscal year, were not less than 90 percent of the fiscal effort per student or the aggregate expenditures of such eligible agency for adult basic skills and family literacy education programs, in the third preceding fiscal year.

''(B) PROPORTIONATE REDUCTION.—Subject to paragraphs (2), (3), and (4), for any fiscal year with respect to which the Secretary determines under subparagraph (A) that the fiscal effort or the aggregate expenditures of an eligible agency for the preceding program year were less than such effort or expenditures for the second preceding program year, the Secretary—

''(i) shall determine the percentage decreases in such effort or in such expenditures; and

''(ii) shall decrease the payment made under this title for such program year to the agency for adult basic skills and family literacy education programs by the lesser of such percentages.

''(2) COMPUTATION.—In computing the fiscal effort and aggregate expenditures under paragraph (1), the Secretary shall exclude capital expenditures and special one-time project costs.

''(3) DECREASE IN FEDERAL SUPPORT.—If the amount made available for adult basic skills and family literacy education programs under this title for a fiscal year is less than the amount made available for adult basic skills and family literacy education programs under this title for the preceding fiscal year, then the fiscal effort per student and the aggregate expenditures of an eligible agency required in order to avoid a reduction under paragraph (1)(B) shall be decreased by the same percentage as the percentage decrease in the amount so made available.

''(4) WAIVER.—The Secretary may waive the requirements of this subsection for not more than 1 fiscal year, if the Secretary determines that a waiver would be equitable due to exceptional or uncontrollable circumstances, such as a natural disaster or an unforeseen and precipitous decline in the financial resources of the State or outlying area of the eligible agency. If the Secretary grants a waiver under the preceding sentence for a fiscal year, the level of effort required under paragraph (1) shall not be reduced in the subsequent fiscal year because of the waiver.

''SEC. 242. NATIONAL LEADERSHIP ACTIVITIES.

''The Secretary shall establish and carry out a program of national leadership activities that may include the following:

''(1) Technical assistance, on request, including assistance—

''(A) on requests to volunteer community- and faith-based organizations, including but not limited to, improving their fiscal management, research-based instruction, and reporting requirements, and the development of measurable objectives to carry out the requirements of this title;

''(B) in developing valid, measurable, and reliable performance data, and using performance information for the improvement of adult basic skills and family literacy education programs;

''(C) on adult education professional development; and

''(D) in using distance learning and improving the application of technology in the classroom.

''(2) Providing for the conduct of research on national literacy basic skill acquisition levels among adults, including the number of adults functioning at different levels of reading proficiency.

''(3) Improving the coordination, efficiency, and effectiveness of adult education and workforce development services at the national, State, and local levels.

''(4) Determining how participation in adult basic skills and family literacy education programs prepares individuals for entry into and success in postsecondary education and employment, and in the case of prison-based services, the effect on recidivism.

''(5) Evaluating how different types of providers, including community and faith-based organizations or private for-profit agencies measurably improve the skills of participants in adult basic skills and family literacy education programs.

''(6) Identifying model integrated basic and workplace skills education programs, coordinated literacy and employment services, and effective strategies for serving adults with disabilities.

''(7) Supporting the development of an entity that would produce and distribute technology-based programs and materials for adult basic skills and family literacy education programs using an intercommunication system, as that term is defined in section 397 of the Communications Act of 1934 (47 U.S.C. 397), and expand the effective outreach and use of such programs and materials to adult education eligible providers.

''(8) Initiating other activities designed to improve the measurable quality and effectiveness of adult basic skills and family literacy education programs nationwide.''.

PART B—NATIONAL INSTITUTE FOR LITERACY

SEC. 211. SHORT TITLE; PURPOSE.

(a) SHORT TITLE.—This part may be cited as the ''National Institute for Literacy Establishment Act''.

(b) PURPOSE.—The purpose of this part is to establish a National Institute for Literacy to provide national leadership in promoting reading research, reading instruction, and professional development in reading based on scientifically based research by—

(1) disseminating widely information on scientifically based reading research to improve academic achievement for children, youth, and adults;

(2) identifying and disseminating information about schools, local educational agencies, and State educational agencies that have effectively developed and implemented classroom reading programs that meet the requirements of subpart 1 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6361 et seq.), including those State educational agencies, local educational agencies, and schools that are identified as effective through the External Evaluation of Reading First under section 1205 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6365);

(3) serving as a national resource for information on reading instruction programs that contain the essential components of reading instruction as supported by scientifically based reading research, and that can lead to improved reading outcomes for children, youth, and adults;

(4) developing print and electronic materials that describe and model the application of scientifically based reading research;

(5) providing national and regional reading leadership for State and local personnel for the application and implementation of scientifically based reading research;

(6) coordinating efforts among Federal agencies, especially the Department of Labor, the Department of Health and Human Services, and the National Institute of Child Health and Human Development, that provide reading programs, conduct research, and provide services to recipients of Federal financial assistance under titles I and III of the Elementary and Secondary Education Act of 1965, the Head Start Act, the Individuals with Disabilities Education Act, and the Adult Basic Skills and Family Literacy Education Act, and each Bureau funded school (as defined in title XI of the Education Amendments of 1978 (25 U.S.C. 2001 et seq.)); and

(7) informing the Congress, Federal departments and agencies, schools of education, and the public of successful local, State, and Federal program activities in reading instruction that are determined to be effective based on the findings of scientifically based reading research.

SEC. 212. ESTABLISHMENT.

(a) IN GENERAL.—There is established within the executive branch an independent establishment (as defined in title 104 of title 5, United States Code) to be known as the ''National Institute for Literacy''. The Institute shall be administered, in accordance with this part, under the supervision and direction of a Director in consultation with the Board, and subject to all fiscal and ethical requirements of an executive branch agency.

(b) DIRECTOR.—

(1) APPOINTMENT.—The Board (established under section 216 of this part), in consultation with the Secretary of Education, shall appoint a Director of the Institute, who has an understanding of, supports, and is familiar with scientifically based reading research, instruction, and professional development applicable to children, youth, and adults.

(2) PAY.—The Director of the Institute shall receive the rate of basic pay for level IV of the Executive Schedule.

(3) TERM.—The Director of the Institute shall be appointed for an initial term of 3 years and, if approved by the Board, may serve not more than 1 additional term of 3 years.

SEC. 213. ADMINISTRATION.

(a) IN GENERAL.—The Institute shall be administered by the Director of the Institute in consultation with the Board.

(b) AUTHORITY.—Subject to the general policies, decisions, findings, and determinations of the Board, the Director of the Institute shall be responsible for administering the Institute. The Director may delegate the powers granted under this paragraph to an officer, employee, or office of the Institute. The Director shall—

(1) provide leadership for the Institute, consistent with the purposes defined in section 211;

(2) appoint and supervise all employees in the Institute, including attorneys, to provide legal aid and service to the Board and the Institute, and to represent the Board and the Institute in any case in court;

(3) appoint the heads of offices in the Institute with the approval of the Board;

(4) assign responsibility to carry out the duties of the Institute among officers and employees, and offices of the Institute;

(5) prepare requests for appropriations for the Institute and submit those requests to the President and the Congress with the prior approval of the Board;

(6) oversee the expenditure of all funds allocated for the Institute to carry out the purposes under section 211; and

(7) confer regularly with the Board on matters of policy, personnel, and progress in carrying out the mission of the Institute.

(c) AGENCY DESIGNATION.—For purposes of section 552b of title 5, United States Code, the Institute is deemed to be an agency.

(d) BUDGET REQUESTS.—In each annual request for appropriations by the President, the Director of the Institute, in consultation with the Board, shall submit a budget to carry out the mission of the Institute including—

(1) the amount requested by the Institute in its budgetary presentation to the Office of Management and Budget; and

(2) an assessment of the budgetary needs of the Institute.

(e) BUDGET TRANSMITTAL TO CONGRESS.—The Institute shall transmit to the Congress copies of budget estimates, requests, and information (including personnel needs), legislative recommendations, prepared testimony for congressional hearings, and comments on legislation.

(f) OFFICES.—The Institute shall have offices separate from the offices of the Department of Education.

(g) ADMINISTRATIVE SUPPORT.—

(1) IN GENERAL.—The Secretary of Education shall provide administrative support for the Institute, including the administration of grants, contracts and cooperative agreements, personnel, legal counsel, and payroll after the Office of Management and Budget has approved the Institute's budget.

(2) OTHER DEPARTMENTS AND AGENCIES.—In addition to any support obtained under paragraph (1) from the Secretary of Education, the Institute may obtain administrative support services from other departments and agencies within the executive branch if determined by the Director of the Institute, in consultation with the Board, to be in the best interest of the Institute.

SEC. 214. DUTIES.

(a) IN GENERAL.—In order to provide leadership for the improvement and expansion of the system for delivery of scientifically based reading instructional practices, the Institute shall—

(1) establish a national electronic database of effective reading programs for children, youth, and adults that include the essential components of reading instruction, and disseminate such information to parents, teachers, State and Federal elected officials, and the public;

(2) develop print and electronic materials for professional development that provide applications of scientifically based reading research, and instructional practices in reading for children, youth, and adults;

(3) provide, when requested, policy and technical assistance to the Congress, school Boards, Federal agencies, State departments of education, adult education programs, local school districts, local public and private schools, and schools of education, on scientifically based reading instructional practices including diagnostic and assessment instruments and instructional materials;

(4) collaborate and support Federal research programs in reading instruction, including, where appropriate, those areas of study addressed by the National Institute of Child Health and Human Development, the Institute for Education Sciences, the National Science Foundation, the Department of Labor, and the National Research Council;

(5) coordinate with the Department of Education, the Department of Labor, the Department of Health and Human Services, and the National Institute of Child Health and Human Development on all programs that include improving reading instructional practices for children, youth, and adults, and teacher training in reading instructional practices;

(6) use and support the collection of the best possible information in carrying out this section, and where appropriate, including reviews of research on instruction using the criteria for quality identified by the Institute for Education Sciences; and

(7) conduct reviews of research, including randomized field trials, on reading programs, and conduct reviews of Federal reading policies and reading program implementation using a board of visitors as described in subchapter 300 of the National Science Foundation Administrative Manual.

(b) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The Institute may award grants to, or enter into contracts or cooperative agreements with, individuals, public or private institutions, agencies, organizations, or other legal entities to carry out the activities of the Institute.

(c) RELATION TO OTHER LAWS.—The duties and powers of the Institute under this part are in addition to the duties and powers of the Institute under subparts 1, 2, and 3 of part B of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 1201 et seq.) (commonly referred to as Reading First, Early Reading First, and the William F. Goodling Even Start Family Literacy Programs, respectively).

SEC. 215. LEADERSHIP IN SCIENTIFICALLY BASED READING INSTRUCTION.

(a) IN GENERAL.—The Institute, in consultation with the Board, may award fellowships, with such stipends and allowances as the Director of the Institute considers necessary, to outstanding individuals who are pursuing careers in scientifically based research in reading instruction or pre-service or in-service training in reading instruction, including teaching children and adults to read.

(b) FELLOWSHIPS.—Fellowships awarded under this subsection shall be used, under the auspices of the Institute, to engage in research, education training, technical assistance, or other activities to advance the field of scientifically based reading instruction for children, youth, and adults, including the training of volunteers in such reading skills instruction.

(c) INTERNS AND VOLUNTEERS.—The Institute, in consultation with the Board, may award paid and unpaid internships to individuals seeking to assist the Institute in carrying out its mission. Notwithstanding section 1342 of title 31, United States Code, the Institute may accept and use voluntary and uncompensated services as the Institute deems necessary.

SEC. 216. NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There shall be a National Institute for Literacy Advisory Board, which shall consist of 10 individuals appointed by the President with the advice and consent of the Senate.

(2) COMPOSITION.—The Board shall be comprised of individuals who are not otherwise officers or employees of the Federal Government and who are knowledgeable about scientifically based reading instruction, and the findings of scientifically based reading research. The members of the Board may include—

(A) representatives from teacher training institutions where scientifically based reading instruction is a major component of pre-service training;

(B) teachers who have been successful in teaching children to read proficiently;

(C) members of the business community who have developed successful employee reading instruction programs;

(D) volunteer tutors in reading who are using scientifically based reading instruction;

(E) reading researchers who have conducted scientifically based research; and

(F) other qualified individuals knowledgeable about scientifically based reading instruction, including adult education.

(b) DUTIES.—The Board shall—

(1) work closely with the Director of the Institute to ensure that the purposes of the Institute under section 211 are carried out effectively;

(2) approve the annual report to the Congress;

(3) provide policy guidance and advice to the Director of the Institute in the administration of the Institute; and

(4) appoint the Director of the Institute, in consultation with the Secretary.

(c) FEDERAL ADVISORY COMMITTEE ACT.—Except as otherwise provided in this part, the Board established by this section shall be subject to the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).

(d) APPOINTMENTS.—

(1) IN GENERAL.—Each member of the Board shall be appointed for a term of 3 years, except that the initial terms for members may be 1, 2, or 3 years in order to establish a rotation, in which ⅓ of the members are selected each year. Any such member may be appointed for not more than 2 consecutive terms.

(2) VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office.

(e) QUORUM.—A majority of the members of the Board shall constitute a quorum, but a lesser number may hold hearings. Any recommendation of the Board may be passed only by a majority of the Board members present.

(f) ELECTION OF OFFICERS.—The Chairperson and Vice Chairperson of the Board shall be elected by the members of the Board. The term of office of the Chairperson and Vice Chairperson shall be 2 years.

(g) MEETINGS.—The Board shall meet at the call of the Chairperson, or a majority of the members of the Board, but not less than quarterly.

SEC. 217. GIFTS, BEQUESTS, AND DEVISES.

(a) IN GENERAL.—The Institute may accept, administer, and use gifts or donations of services, money, or property, whether real or personal, tangible or intangible.

(b) RULES.—The Board, in consultation with the Director of the Institute, shall establish written rules setting forth the criteria to be used by the Institute in determining whether the acceptance of contributions of services, money, or property whether real or personal, tangible or intangible, would reflect unfavorably upon the ability of the Institute or any employee to carry out the responsibilities of the Institute or employee, or official duties, in a fair and objective manner, or would compromise the integrity or the appearance of the integrity of the Institute's programs or any official involved in those programs.

SEC. 218. MAILS.

The Board and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

SEC. 219. APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.

The Director of the Institute and the staff of the Institute may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for level IV of the Executive Schedule.

SEC. 220. EXPERTS AND CONSULTANTS.

The Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

SEC. 221. REPORT.

(a) IN GENERAL.—The Institute shall submit a biennial report to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate. Each report submitted under this section shall include—

(1) a comprehensive and detailed description of the Institute's operations, activities, financial condition, and accomplishments in carrying out the purposes of the Institute as specified in section 211, for the period covered by the report; and

(2) a summary description of how the Institute will advance the purposes of the Institute for the next biennium.

(b) FIRST REPORT.—The Institute shall submit a report under this section not later than 1 year after the date of enactment of this part.

SEC. 222. DEFINITIONS.

For purposes of this part—

(1) the term ''Board'' means the National Institute for Literacy Advisory Board;

(2) the term ''Institute'' means the National Institute for Literacy; and

(3) the terms ''reading'', ''scientifically based reading research'', and ''essential components of reading instruction'' have the meanings given those terms in section 1208 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6368).

SEC. 223. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to administer and carry out this part $6,700,000 for fiscal year 2004 and such sums as may be necessary for each of the 5 succeeding fiscal years.

SEC. 224. RESERVATION.

From amounts appropriated to the Institute, the Director of the Institute may use not more than 5 percent of such amounts for information dissemination under section 1207 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6367).

SEC. 225. AUTHORITY TO PUBLISH.

The Institute, including the Board, may prepare, publish, and present (including through oral presentations) such research-based information and research reports as needed to carry out the purposes and mission of the Institute.

TITLE III—AMENDMENTS TO THE WAGNER-PEYSER ACT

SEC. 301. AMENDMENTS TO THE WAGNER-PEYSER ACT.

The Wagner-Peyser Act (29 U.S.C. 49 et. seq.) is amended—

(1) by striking sections 1 through 13;

(2) in section 14 by inserting ''of Labor'' after ''Secretary''; and

(3) by amending section 15 to read as follows:

''SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.

''(a) SYSTEM CONTENT.—

''(1) IN GENERAL.—The Secretary of Labor, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide workforce and labor market information system that includes—

''(A) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems that, taken together, enumerate, estimate, and project employment opportunities and conditions at national, State, and local levels in a timely manner, including statistics on—

''(i) employment and unemployment status of national, State, and local populations, including self-employed, part-time, and seasonal workers;

''(ii) industrial distribution of occupations, as well as current and projected employment opportunities, wages, benefits (where data is available), and skill trends by occupation and industry, with particular attention paid to State and local conditions;

''(iii) the incidence of, industrial and geographical location of, and number of workers displaced by, permanent layoffs and plant closings; and

''(iv) employment and earnings information maintained in a longitudinal manner to be used for research and program evaluation;

''(B) information on State and local employment opportunities, and other appropriate statistical data related to labor market dynamics, which—

''(i) shall be current and comprehensive;

''(ii) shall meet the needs identified through the consultations described in subparagraphs (A) and (B) of subsection (e)(2); and

''(iii) shall meet the needs for the information identified in section 134(d);

''(C) technical standards (which the Secretary shall publish annually) for data and information described in subparagraphs (A) and (B) that, at a minimum, meet the criteria of chapter 35 of title 44, United States Code;

''(D) procedures to ensure compatibility and additivity of the data and information described in subparagraphs (A) and (B) from national, State, and local levels;

''(E) procedures to support standardization and aggregation of data from administrative reporting systems described in subparagraph (A) of employment-related programs;

''(F) analysis of data and information described in subparagraphs (A) and (B) for uses such as—

''(i) national, State, and local policymaking;

''(ii) implementation of Federal policies (including allocation formulas);

''(iii) program planning and evaluation; and

''(iv) researching labor market dynamics;

''(G) wide dissemination of such data, information, and analysis in a user-friendly manner and voluntary technical standards for dissemination mechanisms; and

''(H) programs of—

''(i) training for effective data dissemination;

''(ii) research and demonstration; and

''(iii) programs and technical assistance.

''(2) INFORMATION TO BE CONFIDENTIAL.—

''(A) IN GENERAL.—No officer or employee of the Federal Government or agent of the Federal Government may—

''(i) use any submission that is furnished for exclusively statistical purposes under the provisions of this section for any purpose other than the statistical purposes for which the submission is furnished;

''(ii) make any publication or media transmittal of the data contained in the submission described in clause (i) that permits information concerning individual subjects to be reasonably inferred by either direct or indirect means; or

''(iii) permit anyone other than a sworn officer, employee, or agent of any Federal department or agency, or a contractor (including an employee of a contractor) of such department or agency, to examine an individual submission described in clause (i);

without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission.

''(B) IMMUNITY FROM LEGAL PROCESS.—Any submission (including any data derived from the submission) that is collected and retained by a Federal department or agency, or an officer, employee, agent, or contractor of such a department or agency, for exclusively statistical purposes under this section shall be immune from the legal process and shall not, without the consent of the individual, agency, or other person who is the subject of the submission or provides that submission, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

''(C) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to provide immunity from the legal process for such submission (including any data derived from the submission) if the submission is in the possession of any person, agency, or entity other than the Federal Government or an officer, employee, agent, or contractor of the Federal Government, or if the submission is independently collected, retained, or produced for purposes other than the purposes of this Act.

''(b) SYSTEM RESPONSIBILITIES.—

''(1) IN GENERAL.—The workforce and labor market information system described in subsection (a) shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and States.

''(2) DUTIES.—The Secretary, with respect to data collection, analysis, and dissemination of labor employment statistics for the system, shall carry out the following duties:

''(A) Assign responsibilities within the Department of Labor for elements of the workforce and labor market information system described in

subsection (a) to ensure that all statistical and administrative data collected is consistent with appropriate Bureau of Labor Statistics standards and definitions.

''(B) Actively seek the cooperation of other Federal agencies to establish and maintain mechanisms for ensuring complementarity and nonduplication in the development and operation of statistical and administrative data collection activities.

''(C) Eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority.

''(D) In collaboration with the Bureau of Labor Statistics and States, develop and maintain the elements of the workforce and labor market information system described in subsection (a), including the development of consistent procedures and definitions for use by the States in collecting the data and information described in subparagraphs (A) and (B) of subsection (a)(1).

''(E) Establish procedures for the system to ensure that—

''(i) such data and information are timely;

''(ii) paperwork and reporting for the system are reduced to a minimum; and

''(iii) States and localities are fully involved in the development and continuous improvement of the system at all levels, including ensuring the provision, to such States and localities, of budget information necessary for carrying out their responsibilities under subsection (e).

''(c) NATIONAL ELECTRONIC TOOLS TO PROVIDE SERVICES.—The Secretary is authorized to assist in the development of national electronic tools that may be used to facilitate the delivery of core services described in section 134 and to provide workforce information to individuals through the one-stop delivery systems descried in section 121 and through other appropriate delivery systems.

''(d) COORDINATION WITH THE STATES.—

''(1) IN GENERAL.—The Secretary, working through the Bureau of Labor Statistics and the Employment and Training Administration, shall regularly consult with representatives of State agencies carrying out workforce information activities regarding strategies for improving the workforce and labor market information system.

''(2) FORMAL CONSULTATIONS.—At least twice each year, the Secretary, working through the Bureau of Labor Statistics, shall conduct formal consultations regarding programs carried out by the Bureau of Labor Statistics with representatives of each of the 10 Federal regions of the Department of Labor, elected from the State directors affiliated with State agencies that perform the duties described in subsection (e)(2).

''(e) STATE RESPONSIBILITIES.—

''(1) DESIGNATION OF STATE AGENCY.—In order to receive Federal financial assistance under this section, the Governor of a State shall—

''(A) designate a single State agency to be responsible for the management of the portions of the workforce and labor market information system described in subsection (a) that comprise a statewide workforce and labor market information system and for the State's participation in the development of the annual plan; and

''(B) establish a process for the oversight of such system.

''(2) DUTIES.—In order to receive Federal financial assistance under this section, the State agency shall—

''(A) consult with State and local employers, participants, and local workforce investment boards about the labor market relevance of the data to be collected and disseminated through the statewide workforce and labor market information system;

''(B) consult with State educational agencies and local educational agencies concerning the provision of employment statistics in order to meet the needs of secondary school and postsecondary school students who seek such information;

''(C) collect and disseminate for the system, on behalf of the State and localities in the State, the information and data described in subparagraphs (A) and (B) of subsection (a)(1);

''(D) maintain and continuously improve the statewide workforce and labor market information system in accordance with this section;

''(E) perform contract and grant responsibilities for data collection, analysis, and dissemination for such system;

''(F) conduct such other data collection, analysis, and dissemination activities as will ensure an effective statewide workforce and labor market information system;

''(G) actively seek the participation of other State and local agencies in data collection, analysis, and dissemination activities in order to ensure complementarity, compatibility, and usefulness of data;

''(H) participate in the development of the annual plan described in subsection (c); and

''(I) utilize the quarterly records described in section 136(f)(2) of the Workforce Investment Act of 1998 to assist the State and other States in measuring State progress on State performance measures.

''(3) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as limiting the ability of a State agency to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this section.

''(f) NONDUPLICATION REQUIREMENT.—None of the functions and activities carried out pursuant to this section shall duplicate the functions and activities carried out under the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of the fiscal years 2004 through 2009.

''(h) DEFINITION.—In this section, the term 'local area' means the smallest geographical area for which data can be produced with statistical reliability.''.

TITLE IV—AMENDMENTS TO THE REHABILITATION ACT OF 1973

SEC. 401. CHAIRPERSON.

Section 705(b)(5) of the Rehabilitation Act of 1973 (29 U.S.C. 796d(b)(5)) is amended to read as follows:

''(5) CHAIRPERSON.—The Council shall select a chairperson from among the voting membership of the Council.''.

SEC. 402. REHABILITATION SERVICES ADMINISTRATION.

Section 3(a) of the Rehabilitation Act of 1973 (29 U.S.C. 702(a)) is amended—

(1) by striking ''Office of the Secretary'' and inserting ''Department of Education'';

(2) by striking ''President by and with the advice and consent of the Senate'' and inserting ''Secretary, except that the current Commissioner appointed under the authority existing on the day prior to the date of enactment of this Act may continue to serve in the former capacity''; and

(3) by striking '', and the Commissioner shall be the principal officer,''.

SEC. 403. DIRECTOR.

(a) IN GENERAL.—The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended by striking ''Commissioner'' each place it appears, except in section 21, and inserting ''Director''.

(b) EXCEPTION.—Section 21 of the Rehabilitation Act of 1973 (29 U.S.C. 718) is amended—

(1) in subsection (b)(1)—

(A) by striking ''Commissioner'' the first place it appears and inserting ''Director of the Rehabilitation Services Administration''; and

(B) by striking ''(referred to in this subsection as the 'Director')''; and

(2) by striking ''Commissioner and the Director'' each place it appears and inserting ''both such Directors''.

SEC. 404. STATE GOALS.

Section 101(a) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) is amended—

(1) in paragraph (11)(D)(i) by inserting '', which may be provided using alternative means of meeting participation (such as video conferences and conference calls)'' before the semicolon; and

(2) in paragraph (15)—

(A) in subparagraph (A), by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively, and inserting after clause (i) the following:

''(ii) include an assessment of the transition services provided under this Act, and coordinated with transition services under the Individuals with Disabilities Education Act, as to those services meeting the needs of individuals with disabilities.''; and

(B) by amending subparagraph (D)(i) to read as follows:

''(i) the methods to be used to expand and improve the services to individuals with disabilities including—

''(I) how a broad range of assistive technology services and assistive technology devices will be provided to such individuals at each stage of the rehabilitative process and how such services and devices will be provided to such individuals on a statewide basis; and

''(II) how transition services will be better coordinated with those services under the Individuals with Disabilities Education Act in order to improve transition services for individuals with disabilities served under this Act;''.

SEC. 405. AUTHORIZATIONS OF APPROPRIATIONS.

The Rehabilitation Act of 1973 is further amended—

(1) in section 100(b)(1) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(2) in section 100(d)(1)(B) by striking ''fiscal year 2003'' and inserting ''fiscal year 2009'';

(3) in section 110(c) by amending paragraph (2) to read as follows:

''(2) The sum referred to in paragraph (1) shall be, as determined by the Secretary, not less than 1 percent and not more than 1.5 percent of the amount referred to in paragraph (1) for each of fiscal years 2003 through 2009.'';

(4) in section 112(h) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(5) in section 201(a) by striking ''fiscal years 1999 through 2003'' each place it appears and inserting ''fiscal years 2004 through 2009'';

(6) in section 302(i) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(7) in section 303(e) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(8) in section 304(b) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(9) in section 305(b) by striking ''fiscal years 1999 through 2003'' and insert ''fiscal years 2004 through 2009'';

(10) in section 405 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(11) in section 502(j) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(12) in section 509(l) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(13) in section 612 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(14) in section 628 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(15) in section 714 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009'';

(16) in section 727 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009''; and

(17) in section 753 by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2004 through 2009''.

SEC. 406. HELEN KELLER NATIONAL CENTER ACT.

(a) GENERAL AUTHORIZATION OF APPROPRIATIONS.—The first sentence of section 205(a) of the Helen Keller National Center Act (29 U.S.C. 1904(a)) is amended by striking ''1999 through 2003'' and inserting ''2004 through 2009''.

(b) HELEN KELLER NATIONAL CENTER FEDERAL ENDOWMENT FUND.—The first sentence of section 208(h) of such Act (29 U.S.C. 1907(h)) is amended by striking ''1999 through 2003'' and inserting ''2004 through 2009''.

TITLE V—TRANSITION AND EFFECTIVE DATE

SEC. 501. TRANSITION PROVISIONS.

The Secretary of Labor shall take such actions as the Secretary determines to be appropriate to provide for the orderly implementation of this Act.

SEC. 502. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act, shall take effect on the date of enactment of this Act.

The CHAIRMAN. No amendment to the committee amendment is in order except those printed in House Report 108–92. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

It is now in order to consider Amendment No. 1 printed in House Report 108–92.

AMENDMENT NO. 1 OFFERED BY MR. MCKEON

Mr. MCKEON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. MCKEON:

Page 6, strike lines 18 through 21 and insert the following:

''(III) if not included under subclause (I), the director of the State unit, defined in section 7(8)(B) of the Rehabilitation Act of 1973 (29 U.S.C. 705(8)(B)) except that in a State that has established 2 or more designated State units to administer the vocational rehabilitation program, the board representative shall be the director of the designated State unit that serves the most individuals with disabilities in the State;

Page 15, line 14, strike ''(a) ONE-STOP PARTNERS.—'' and all that follows through page 16, line 12, and insert the following:

(a) ONE-STOP PARTNERS.—

(1) REQUIRED PARTNERS.—Section 121(b)(1) (29 U.S.C. 2841(b)(1)) is amended—

(A) in subparagraph (B)—

(i) by striking clauses (ii) and (v)

(ii) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively, and by redesignating clauses (vi) through (xii) as clauses (iv) through (x), respectively;

(iii) in clause (ix) (as so redesignated), by striking ''and'';

(iv) in clause (x) (as so redesignated), by striking the period and inserting ''; and''; and

(v) by inserting after clause (x)(as so redesignated) the following:

''(xi) programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et. seq.), subject to subparagraph (C).''; and

(B) by adding after subparagraph (B) the following:

''(C) DETERMINATION BY THE GOVERNOR.—The program referred to in clauses (xi) of subparagraph (B) shall be included as a required partner for purposes of this title in a State unless the Governor of the State notifies the Secretary and the Secretary of Health and Human Services in writing of a determination by the Governor not to include such programs as required partners for purposes of this title in the State.''.

(2) ADDITIONAL PARTNERS.—Section 121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is amended—

(A) by striking clause (i) and redesignating clauses (ii) through (v) as clauses (i) through (iv) respectively;

(B) in clause (iii) (as so redesignated) by striking ''and'' at the end;

(C) in clause (iv) (as so redesignated) by striking the period and inserting a semicolon; and

(D) by adding at the end the following new clauses:

''(v) employment and training programs administered by the Social Security Administration, including the Ticket to Work program (established by Public Law 106–170);

''(vi) programs under part D of title IV of the Social Security Act (42 U.S.C. 451 et seq.) (relating to child support enforcement); and

''(vii) programs carried out in the local area for individuals with disabilities, including programs carried out by State agencies relating to mental health, mental retardation, and developmental disabilities, State Medicaid agencies, State Independent Living Councils, and Independent Living Centers.''.

Page 24, strike lines 2 and 3 and insert the following:

Section 123 is amended to read as follows:

''SEC. 123. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

''(a) IN GENERAL.—From the funds allocated under section 128(b) to a local area, the local board for such area shall award grants or contracts on a competitive basis to providers of youth activities identified based on the criteria in the State plan and shall conduct oversight with respect to such providers.

''(b) EXCEPTIONS.—A local board may award grants or contracts on a sole-source basis if such board determines there are an insufficient number of eligible providers of training services in the local area involved (such as rural areas) for grants to be awarded on a competitive basis under subsection (a).

Page 25, line 10, strike ''(C) STATES.—'' and all that follows through page 26, line 9, and insert the following:

''(C) STATES.—

''(i) IN GENERAL.—Of the remainder of the amount appropriated under section 137(a) for a fiscal year that is available after determining the amounts to be reserved under subparagraphs (A) and (B), the Secretary shall allot—

''(I) the amount of the remainder that is less than or equal to the total amount that was allotted to States for fiscal year 2003 under section 127(b)(1)(C) of this Act (as in effect on the day before the date of enactment of the Workforce Reinvestment and Adult Education Act of 2003) in accordance with the requirements of such section 127(b)(1)(C); and

''(II) the amount of the remainder, if any, in excess of the amount referred to in subclause (I) in accordance with clause (ii).

''(ii) FORMULAS FOR EXCESS FUNDS.—Subject to clauses (iii) and (iv), of the amounts described in clause (i)(II)—

''(I) 33 and ⅓ percent shall be allotted on the basis of the relative number of individuals in the civilian labor force who are ages 16–19 in each State, compared to the total number of individuals in the civilian labor force who are ages 16–19 in all States;

''(II) 33 and ⅓ percent shall be allotted on the basis of the relative number of unemployed individuals in each State, compared to the total number of unemployed individuals in all States; and''; and

Page 26, line 13, strike ''the'' and insert ''each''.

Page 28, strike lines 1 through 10.

Page 28, line 11, strike ''formula'' and insert ''formulas''.

Page 28, strike lines 17 through 21.

Page 31, strike lines 14 through page 32, line 2, and insert the following:

''(i) 33 and ⅓ percent shall be allotted on the basis of the relative number of individuals in the civilian labor force who are ages 16–19 in each local area, compared to the total number of individuals in the civilian labor force who are ages 16–19 in all local areas in the State;

''(ii) 33 and ⅓ percent shall be allotted on the basis of the relative number of unemployed individuals in each local area, compared to the total number of unemployed individuals in all local areas in the State; and;'' and

Page 33, strike lines 7 through 10, and insert the following:

''(ii) DISADVANTAGED YOUTH.—The term 'disadvantaged youth' means an individual who is age 16 through 21 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.''.

Page 36, line 11, insert ''who are deficient in basic skills'' after ''disabilities)''.

Page 44, line 1, strike ''(b) ALLOTMENT'' and all that follows through page 47, line 14 and insert the following:

''(b) ALLOTMENT AMONG STATES FOR ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—

''(1) RESERVATION FOR OUTLYING AREAS.—From the amount made available under subsection (a)(2) for a fiscal year, the Secretary shall reserve not more than ¼ of 1 percent to provide assistance to outlying areas to carry out employment and training activities for adults and statewide workforce investment activities.

''(2) STATES.—Subject to paragraph (5), of the remainder of the amount referred to under subsection (a)(2) for a fiscal year that is available after determining the amount to be reserved under paragraph (1), the Secretary shall allot to the States for employment and training activities for adults and for statewide workforce investment activities—

''(A) 26 percent in accordance with paragraph (3); and

''(B) 74 percent in accordance with paragraph (4)

''(3) BASE FORMULA.—

''(A) FISCAL YEAR 2004.—

''(i) IN GENERAL.—Subject to clause (ii), the amount referred to in paragraph (2)(A) shall be allotted for fiscal year 2004 on the basis of allotment percentage of each State under section 6 of the Wagner-Peyser Act for fiscal year 2003.

''(ii) EXCESS AMOUNTS.—If the amount referred to in paragraph (2)(A) for fiscal year 2004 exceeds the amount that was available for allotment to the States under the Wagner-Peyser Act for fiscal year 2003, such excess amount shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of individuals in the civilian labor force in all States, adjusted to ensure that no State receives less than 3/10 of one percent of such excess amount.

''(iii) DEFINITION.—For purposes of this subparagraph, the term 'allotment percentage' means the percentage of the amounts allotted to States under section 6 of the Wagner-Peyser Act that is received by the State involved for fiscal year 2003.

''(B) FISCAL YEARS 2005 AND THEREAFTER.—

''(i) IN GENERAL.—Subject to clause(ii), the amount referred to in paragraph(2)(A) shall be allotted for fiscal year 2005 and each fiscal year thereafter on the basis of the allotment percentage of each State under this paragraph for the preceding fiscal year.

''(ii) EXCESS AMOUNTS.—If the amount referred to in paragraph (2)(A) for fiscal year 2005 or any fiscal year thereafter exceeds the amount that was available for allotment under this paragraph for the prior fiscal year, such excess amount shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of individuals in the civilian labor force in all States, adjusted to ensure that no State receives less than 3/10 of one percent of such excess amount.

''(iii) DEFINITION.—For purposes of this subparagraph, the term 'allotment percentage' means the percentage of the amounts allotted to States under this paragraph in a fiscal year that is received by the State involved for such fiscal year.

''(4) CONSOLIDATED FORMULA.—

''(A) IN GENERAL.—Subject to subparagraphs (B) and (C), of the amount referred to in paragraph (2)(B)—

''(i) 60 percent shall be allotted on the basis of the relative number of unemployed individuals in each State, compared to the total number of unemployed individuals in all States;

''(ii) 25 percent shall be allotted on the basis of the relative excess number of unemployed individuals in each State, compared to the total excess number of unemployed individuals in all States; and

''(iii) 15 percent shall be allotted on the basis of the relative number of disadvantaged adults in each State, compared to the total number of disadvantaged adults in all States.

''(B) MINIMUM AND MAXIMUM PERCENTAGES.—

''(i) MINIMUM PERCENTAGE.—The Secretary shall ensure that no State shall receive an allotment under this paragraph for a fiscal year that is less than 90 percent of the allotment percentage of the State under this paragraph for the preceding fiscal year.

''(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the Secretary shall ensure that no State shall receive an allotment for a fiscal year under this paragraph that is more than 130 percent of the allotment of the State under this paragraph for the preceding fiscal year.

''(C) SMALL STATE MINIMUM ALLOTMENT.—Subject to subparagraph (B), the Secretary shall ensure that no State shall receive an allotment under this paragraph that is less than 2/10 of 1 percent of the amount available under subparagraph (A).

''(D) DEFINITIONS.—For the purposes of this paragraph:

''(i) ALLOTMENT PERCENTAGE.—The term 'allotment percentage', used with respect to fiscal year 2004 or a subsequent fiscal year, means a percentage of the amounts described in paragraph (2)(B) that is received through an allotment made under this paragraph for the fiscal year. The term, with respect to fiscal year 2003, means the percentage of the amounts allotted to States under this chapter (as in effect on the day before the date of enactment of the Workforce Reinvestment and Adult Education Act of 2003) and under reemployment service grants received by the State involved for fiscal year 2003.

''(ii) DISADVANTAGED ADULT.—The term 'disadvantaged adult' means an individual who is age 22 through 72 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the poverty line.

''(iii) EXCESS NUMBER.—The term 'excess number' means, used with respect to the excess number of unemployed individuals within a State, the number that represents the number of unemployed individuals in excess of 4 and ½ percent of the civilian labor force in the State.

''(5) ADJUSTMENTS IN ALLOTMENTS BASED ON DIFFERENCES WITH UNCONSOLIDATED FORMULAS.—

''(A) IN GENERAL.—The Secretary shall ensure that for any fiscal year no State has an allotment difference, as defined in subparagraph (C), that is less than zero. The Secretary shall adjust the amounts allotted to the States under this subsection in accordance with subparagraph (B) if necessary to carry out this subparagraph..

''(B) ADJUSTMENTS IN ALLOTMENTS.—

''(i) REDISTRIBUTION OF EXCESS AMOUNTS.—

''(I) IN GENERAL.—If necessary to carry out subparagraph (A), the Secretary shall reduce the amounts that would be allotted under paragraphs (3) and (4) to States that have an excess allotment difference, as defined in subclause (II), by the amount of such excess, and use such amounts to increase the allotments to States that have an allotment difference less than zero.

''(II) EXCESS AMOUNTS.—For purposes of subclause (I), the term 'excess' allotment difference means an allotment difference for a State that is—

''(aa) in excess of 3 percent of the amount described in subparagraph (C)(i)(II); or

''(bb) in excess of a percentage established by the Secretary that is greater than 3 percent of the amount described in subparagraph (C)(i)(II) if the Secretary determines that such greater percentage is sufficient to carry out subparagraph (A).

''(ii) USE OF AMOUNTS AVAILABLE UNDER NATIONAL RESERVE ACCOUNT.—If the funds available under clause (i) are insufficient to carry out subparagraph (A), the Secretary shall use funds reserved under section 132(a) in such amounts as are necessary to increase the allotments to States to meet the requirements of subparagraph (A). Such funds shall be used in the same manner as the States use the other funds allotted under this subsection.

''(C) DEFINITION OF ALLOTMENT DIFFERENCE.—

''(i) IN GENERAL.—For purposes of this paragraph, the term 'allotment difference' means the difference between—

''(I) the total amount a State would receive of the amounts available for allotment under subsection (b)(2) for a fiscal year pursuant to paragraphs (3) and (4); and

''(II) the total amount the State would receive of the amounts available for allotment under subsection (b)(2) for the fiscal year if such amounts were allotted pursuant to the unconsolidated formulas (applied as described in clause (iii)) that were used in allotting funds for fiscal year 2003.

''(ii) UNCONSOLIDATED FORMULAS.—For purposes of clause (i), the unconsolidated formulas are:

''(I) The requirements for the allotment of funds to the States contained in section 132(b)(1)(B) of this Act (as in effect on the day before the date of enactment of the Workforce Reinvestment and Adult Education Act of 2003) that were applicable to the allotment of funds under such section for fiscal year 2003.

''(II) The requirements for the allotment of funds to the States contained in section 132(b)(2)(B) of this Act (as in effect on the day before the date of enactment of the Workforce Reinvestment and Adult Education Act of 2003) that were applicable to the allotment of funds under such section for fiscal year 2003.

''(III) The requirements for the allotment of funds to the States that were contained in section 6 of the Wagner-Peyser Act (as in effect on the day before the date of enactment of the Workforce Reinvestment and Adult Education Act of 2003) that were applicable to the allotment of funds under such Act for fiscal year 2003.

''(IV) The requirements for the allotment of funds to the States that were established by the Secretary for Reemployment Services Grants that were applicable to the allotment of funds for such grants for fiscal year 2003.

''(iii) PROPORTIONATE APPLICATION OF UNCONSOLIDATED FORMULAS BASED ON FISCAL YEAR 2003.—In calculating the amount under clause (i)(II), each of the unconsolidated formulas identified in clause (ii) shall be applied, respectively, only to the proportionate share of the total amount of funds available for allotment under subsection (b)(2) for a fiscal year that is equal to the proportionate share to which each of the unconsolidated formulas applied with respect to the total amount of funds allotted to the States under all of the unconsolidated formulas in fiscal year 2003.

''(iv) RULE OF CONSTRUCTION.—The amounts used to adjust the allotments to a State under subparagraph (B) for a fiscal year shall not be included in the calculation of the amounts under clause (i) for a subsequent fiscal year, including the calculation of allocation percentages for a preceding fiscal year applicable to paragraphs (3) and (4) and to the unconsolidated formulas described in clause (ii).''.

Page 50, line 1, strike ''15 percent'' and insert ''25 percent''.

Page 50, line 5, insert ''and'' after the semicolon;

Page 50, strike lines 6 through 11.

Page 50, line 12, strike ''(iv) 10 percent'' and insert ''(iii) 15 percent''.

Page 61, line 3, strike ''and''.

Page 61, line 5, insert ''and'' after ''employers;''.

Page 61, after line 5, insert the following:

''(iii) reemployment services provided to unemployment claimants.''.

Page 77, line 22, strike ''$1,001,000,000'' and insert ''$1,250,000,000''.

Page 80, strike lines 4 through 14 (and redesignate subsection (b) and (c) of section 116 as subsections (a) and (b) respectively).

Page 80, after line 22, insert the following:

(d) MIGRANT AND SEASONAL FARMWORKER PROGRAMS.—Section 167(d) is amended by inserting ''(including permanent housing)'' after ''housing''.

Page 91, line 20, strike ''recipients'' and insert ''a recipient''.

Page 108, beginning at line 24, strike ''the English language and math, and English language acquisition'' and insert ''the English language and basic math,''.

Page 126, line 25, strike ''DEFINITION OF CRIMINAL OFFENDER.—'' and insert ''DEFINITIONS.—''.

Page 128, line 7, strike '', including essential workplace skills''.

Page 128, line 12, strike ''family'' and insert ''Family''.

Page 129, line 16, strike the period and insert a semicolon.

Page 129, line 17, strike ''whether or not''.

Page 129, line 24; page 130, lines 1, 4, 8, 10, 17, and 22; and page 131, lines 3, 10, and 14, strike the term ''whether'' each place such term appears.

Page 130, line 5, insert ''when appropriate and scientifically based,'' after ''real-life contexts,''.

Page 131, line 15, strike ''is of'' and insert ''are of''.

Page 131, after line 18, insert the following:

''(e) SPECIAL RULE.—Eligible providers may use grant funds under this title to serve children participating in family literacy programs assisted under this part, provided that other sources of funds available to provide similar services for such children are used first.

Page 140, strike lines 8 through 15 and insert the following:

(a) IN GENERAL.—There is established the National Institute for Literacy. The Institute shall be administered, in accordance with this part, under the supervision and direction of a Director. There shall be an agreement between an Interagency Group (comprised of the Secretary of Education, the Secretary of Labor, and the Secretary of Health and Human Services) and the Institute on how the purposes of the Institute may be achieved effectively. Such agreement—

(1) shall be regularly reviewed, and modified as needed to remain current with any changes in the purposes of the Institute; and

(2) shall be updated no later than 1 year after the enactment of this part.

Page 140, lines 17 through 19, strike ''The Board (established under section 216 of this part), in consultation with the Secretary of Education,'' and insert ''The Interagency Group''.

Page 140, line 23, insert ''If a vacancy in the position of the Director of the Institute occurs, the Interagency Group shall appoint an Interim Director until such time as a new Director can be appointed.'' after ''and adults.''.

Page 141, lines 5 and 6, strike '', if approved by the Board,''.

Page 141, beginning at line 8, strike all of section 213 and insert the following:

SEC. 213. ADMINISTRATION.

(a) IN GENERAL.—The Director of the Institute shall be responsible for administering the Institute. The Director of the Institute shall—

(1) provide leadership for the Institute, consistent with the purposes described in section 211(b);

(2) supervise all employees in the Institute;

(3) assign responsibility to carry out the duties of the Institute among officers ad employees, and offices of the Institute;

(4) prepare requests for appropriations for the Institute and submit those requests to the Interagency Group;

(5) oversee the expenditure of all funds allocated for the Institute to carry out the purposes under section 211(b); and

(6) ensure that the Institute's standards for research quality are consistent with those promulgated by the Institute for Education Sciences.

(b) OFFICES.—The Institute shall have separate offices from the Department of Education, the Department of Labor, and the Department of Health and Human Services, and shall have maximum flexibility in its operations to carry out the purposes of the Institute.

(c) ADMINISTRATIVE SUPPORT.—The Secretary of Education shall provide administrative support for the Institute, including the administration of grants, contracts and cooperative agreements, personnel, legal counsel, and payroll.

Page 144, line 5, insert ''Director of the'' before ''Institute''.

Page 144, line 17, strike '', when requested, policy and''.

Page 145, after line 23, insert the following (and make such conforming changes as are necessary):

(8) develop an Internet site that provides useful information to educators and the public on reading literacy that is consistent with the purposes described in section 211(b).

Page 146, lines 14 through 17, strike ''The Institute, in consultation with the Board, may award fellowships, with such stipends and allowances as the Director of the Institute considers necessary,'' and insert ''The Director of the Institute may award fellowships, with such stipends and allowances as necessary,''.

Page 147, lines 3 and 4, strike ''The Institute, in consultation with the Board,'' and insert ''The Director of the Institute''.

Page 148, line 16, strike ''work closely with'' and insert ''provide advice to''.

Page 148, strike lines 20 through 24 (and make such conforming changes as are necessary).

Page 150, lines 10 and 11, strike ''The Board, in consultation with the Director of the Institute,'' and insert ''The Director of the Institute''.

Page 151, line 18, strike ''Labor and Human Resources'' and insert ''Health, Education, Labor, and Pensions''.

Page 152, after line 12, insert the following (and make such conforming changes as are necessary):

(3) the term ''Interagency Group'' means the Secretary of Education, the Secretary of Labor, and the Secretary of Health and Human Services;

(4) the term ''literacy'' means the ability to read, write, and speak the English language with competence, knowledge, and comprehension; and

Page 153, line 4, insert ''the administration of'' after ''such amounts for''.

Page 153, after line 12, insert the following:

PART C—GENERAL PROVISIONS

SEC. 241. TRANSITION.

The Secretary shall take such actions as the Secretary determines to be appropriate to provide for the orderly implementation of this title.

The CHAIRMAN. Pursuant to House Resolution 221, the gentleman from California (Mr. MCKEON) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California (Mr. MCKEON).

Mr. MCKEON. Mr. Chairman, I yield myself such time as I may consume.

I rise to offer this bipartisan amendment which contains a number of changes to improve the underlying bill that will help millions of unemployed Americans find jobs.

The amendment revises the formula for allocation of funds to States under the consolidated adult funding stream. The amendment includes a hold harmless provision for States so that in each year each State will receive at least what that State would have received under the current formulas for the three adult employment and training programs. It also creates a two-part formula reflective of the population to be served while minimizing the large swings from year to year in funding among States.

The amendment revises the factors for the youth formula for allocation of funds to States to better reflect available data on youth. It also clarifies that the new formula applies only to funds appropriated in excess of the level of funds appropriated in 2003. While better targeting the resources, this provision will ensure that States are not adversely affected by this formula revision.

The amendment makes TANF a mandatory partner in the one-stop career center system unless the governor of the State notifies the Secretaries of Labor and of Health and Human Services that the governor does not want the TANF program to be a mandatory partner. Including TANF in the one-stop centers will help provide a continuum of services for welfare participants. Individuals no longer receiving cash assistance will be able to continue to access job search, counseling and training services available through WIA. This continuity should help individuals become self-sufficient.

The amendment reinstates the requirement that youth providers be selected by competitive process, unless the local board determines that there are insufficient numbers of eligible providers of youth services in the local area involved.

The amendment clarifies that State-recognized tribes may continue to participate in the WIA program for Native Americans.

The amendment provides that the National Institute for Literacy is under the direction of an interagency group, composed of the Department of Education, the Department of Labor and the Department of Health and Human Services. This is current law.

The amendment makes additional clarifying, technical and conforming amendments to Titles I and II.

These amendments, Mr. Chairman, will ensure that workers have better access to the benefits included in the bill. As with the rest of the bill, these improvements will help hundreds of thousands of Americans who are searching for good and stable new jobs.

I urge my colleagues to adopt this amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member seek time in opposition?

Mr. KILDEE. Yes, Mr. Chairman. I ask unanimous consent to claim the time in opposition although I am not in opposition.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. KILDEE. Mr. Chairman, I yield as much time as he may consume to the gentleman from Wisconsin (Mr. KIND).

(Mr. KIND asked and was given permission to revise and extend his remarks.)

Mr. KIND. Mr. Chairman, I thank my friend for yielding me time.

Mr. Chairman, as a member of the Committee on Education and the Workforce, I rise not in opposition to the technical amendment, but I do oppose the underlying bill.

Mr. Chairman, I, along with other members on the committee, have worked hard to try to work in a bipartisan fashion in the committee to produce bills that we feel comfortable that both sides of the aisle can support. Unfortunately, I cannot say that that is true with this legislation before us

today. I think it is a significant step in the wrong direction in regards to the workforce investment legislation to where we need to go.

Just last month, Mr. Chairman, the Department of Labor revised their unemployment rate to 6 percent. We lost approximately 48,000 jobs in the last month alone, which is approximately the size of my hometown, La Crosse, Wisconsin. Over the last 2 years we have lost 2.7 million jobs in this economy, and I think the American people are going to have to ask at some point whether this administration is capable of producing one new job during the 4 years in which they are in charge. Right now they are working from a 2.7 million job loss hole, and I think that question is very seriously in doubt right now.

This would have provided a perfect vehicle, as the gentleman from Michigan (Mr. KILDEE) tried to accomplish in the committee, for the extension of unemployment benefits which will soon expire and Congressional Budget Office shows that for every dollar spent for the extension of these unemployment benefits, it provides a $1.74 return on economic stimulus in the economy, unlike the tax exemption on corporate dividends that the President is proposing, which will only return 9 cents on the dollar in economic stimulus for our economy.

There are very few tools at our disposal that can actually have an impact on economic growth and job creation in this country. This is one of them, and that is why it is so essential that we work hard in a bipartisan fashion to structure a piece of legislation that is going to make sense for the 2.7 million who are currently out of work and for the changing needs of the workforce in this century.

Unfortunately, this bill actually reduces preventative in-school youth training programs targeted at students before they may drop out of school, and it consolidates adult employment and training programs into one block grant, removing many of the Federal performance and accountability measures that make the Workforce Investment Act a quality workforce program.

In addition, H.R. 1261 requires participating partners, and this is significant because this is what's going to lead to the reduction of program funding; it requires participating partners to contribute an unlimited amount towards infrastructure costs for these one-stop centers. This sets the stage for reducing job training programs by taking money away from the participating partners of this act such as veterans employment programs, Perkins vocational education program, and the vocational rehabilitation program. These programs have already been severely slashed because of the current state of State budgets, and the provision will only further jeopardize these valuable funding streams.

Specifically, I am concerned that the rerouting of funding could have a devastating impact on the Wisconsin technical college system's abilities to provide training and education for students. Over 8,000 dislocated workers alone looked to Wisconsin technical colleges in just recent months for education and job retraining. I foresee it also having a negative impact on our State's economy because it will not be able to provide students with the academic foundation and technical skills that will make them workforce ready.

We have made significant progress under the Workforce Investment Act in recent years in regards to the direction of job training opportunities in our community. We are very proud of the one-stop job centers, the workforce investment boards, the public-private partnerships that have been established back in the State of Wisconsin in regards to these programs and the tremendous amount of good it has done to so many of our citizens during a particularly tough run of our Nation's economy.

I believe we can do much better with this underlying piece of legislation, and hopefully as we move forward with the process in working with the Senate that we are going to be able to refine some of these points I have highlighted here today to produce a job training and workforce development bill that is going to add to our economic growth and help create more jobs in our economy at a time when we desperately need it.

I thank my friend again from Michigan for the leadership that he has shown on this issue, the experience that he is providing and also for yielding me this time.

Mr. MCKEON. How much time do we have left?

The CHAIRMAN. The gentleman from California (Mr. MCKEON) has 2½ minutes remaining, and the gentleman from Michigan (Mr. KILDEE) 30 seconds remaining.

Mr. KILDEE. Mr. Chairman, I yield back my time.

Mr. MCKEON. Mr. Chairman, I yield the balance of our time to the gentleman from Ohio (Mr. BOEHNER), the chairman of the committee.

Mr. BOEHNER. Mr. Chairman, let me clarify some of the remarks that my good friend from Wisconsin was making during his presentation.

Right now we have taken the 63 Federal job training-retraining programs back in the late 1990s and ran them into three funding streams to the States. What we propose to do in this bill is to reduce that to one funding stream. This idea of we are block granting this to the States and giving full discretion to the governor is just not true.

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Under the bill, we require that half of the funds go directly to the local boards. Of the half that stays at the State, the State must use 50 percent of that money to assist and provide services to local boards.

So when we begin to look at how this program will be enhanced, at least 75 percent of the money will be spent by our local boards. The other 25 percent is given to the governors based on their need to react to unemployment problems, sudden unemployment problems somewhere else in the State where additional assistance may be needed.

In the bill we also provide much more local control by our local boards. Our vision when we started this was to give local businesses and local community leaders the ability to control what happens in terms of how these monies are spent and the types of services that are provided. I do believe that it is going to result in not only better services, but better outcomes for our workers.

Let me make one other point that has been referred to several times where we eliminate the funding in this bill for in-school youth activities. There are a tremendous number of programs already designed to deal with in-school youth who could possibly be in danger or risk of dropping out. We should focus the limited youth resources we have in this bill to out-of-school youth or in-school youth outside of school time because there is not as much money as we would like to spend in these programs. There are sufficient programs for in-school youth during the school day.

We are trying to better target our resources to get better results for those at-risk students who may in fact be thinking of dropping out of school.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. MCKEON).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 2 printed in House Report 108–92.

AMENDMENT NO. 2 OFFERED BY MR. ALLEN

Mr. ALLEN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. ALLEN:

Page 13, line 7, insert ", administrators of entities providing adult education and literacy activities," after "school systems".

The CHAIRMAN. Pursuant to House Resolution 221, the gentleman from Maine (Mr. ALLEN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Chairman, I yield myself such time as I may consume.

This amendment directs governors to appoint administrators of adult education and literacy programs to be members of local workforce investment boards. That is the current law but the underlying bill strips that provision out of the proposal.

This amendment would ensure that workforce investment boards are well-informed when developing strategies to strengthen and improve our Nation's workforce. Business and workforce representatives need to be aware of all

that the adult education system can offer.

As the participation in adult education continues to grow, we must expand and support a strong relationship between the education community and the business sector. The better educated and informed our workforce, the better our businesses can compete in the global economy. We know that a person with a college degree earns more than $1 million in the course of his or her lifetime as compared to someone with a high school diploma. Clearly education is a vital part of developing a successful workforce. Adult educators must continue to have a voice in workforce development, and that is what my amendment would provide.

I am told that the majority has agreed to support this amendment. I thank the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. MCKEON) for their help in preserving active communication between the education and business communities to ensure a sufficient and quality workforce.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member seek the time in opposition?

Mr. MCKEON. Mr. Chairman, although I do not oppose the amendment, I ask unanimous consent to claim the time in opposition.

The CHAIRMAN. Without objection, the gentleman from California (Mr. MCKEON) is recognized for 5 minutes.

There was no objection.

Mr. MCKEON. Mr. Chairman, I yield myself such time as I may consume.

As I stated, we do not oppose the amendment. We feel that it will improve the bill. This amendment ensures that administration of entities providing adult education and literacy activities are included in the membership of each local board. The composition of the local workforce boards have been streamlined in H.R. 1261, and it is important that participants in adult education are represented on the local boards alongside superintendents of the local secondary school system and the presidents and chief executive officers of secondary educational institutions.

Mr. Chairman, I thank the gentleman for picking this up and offering the amendment, and we would be happy to accept the amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. ALLEN. Mr. Chairman, I thank the gentleman for his support, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine (Mr. ALLEN).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 3 printed in House Report 108–92.

AMENDMENT NO. 3 OFFERED BY MR. VITTER

Mr. VITTER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. VITTER:

Page 18, line 5, insert ‘‘, and how the centers ensure that such providers meet the employment needs of local employers and participants’’ after ‘‘partners’’.

Page 21, line 18, insert ‘‘how the centers ensure that such providers meet the needs of local employers and participants,’’ after ‘‘providers,’’.

The CHAIRMAN. Pursuant to House Resolution 221, the gentleman from Louisiana (Mr. VITTER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. VITTER).

Mr. VITTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today with the Workforce Investment Act, we are addressing perhaps our best and most valuable resource in this economy and this society, which is people.

This bill, along with the economic stimulus package slated for tomorrow, are the results of a Congress and President who are focused on important issues relating to the economy, jobs, employment, and job training.

In my home State of Louisiana, we are working together at every level, State, regional and local, to improve our workforce and create real jobs, too. Passage of the Workforce Investment Act will advance those goals, and certainly we look forward to that.

But just as we expect government on all levels to work together toward this end, we certainly need to make sure that employers, training centers, potential employees, also all work together as seamlessly as possible. So my amendment is designed to improve the bill in that respect. It is a very simple and commonsense amendment, but one that I think is important to our overall goals.

In two sections of the bill, the section that sets out criteria for certification of one-stop centers and the section that sets out the criteria governors will use to determine eligibility for Federal funds, concise language is inserted that will ensure that the needs of local employers are taken into account. This gives input to those employers who at the end of the job training and education process will be asked and expected to hire newly trained workers.

Right now in some situations, including in my home State of Louisiana, there is a real gap. There are jobs there on the ground even in a relatively poor economy, but there is not the hired workforce to fill those jobs at the local level. A quick example, Avondale Shipyards in the Northrop Grumman Ship Systems, one of the biggest private employers in the whole State of Louisiana, busses in dozens of skilled workers every day from Mississippi because people with those specific job skills are not available immediately in the metro New Orleans area.

This amendment is a simple, commonsense amendment to try to fill that gap, to try to make sure that we train up workers in areas where there are jobs waiting in the economy. This will not only serve employers who need to fill those jobs, if possible, at the local level without resorting to bussing in workers or resorting to foreign workers. And, of course, it will also serve workers who want to be trained up, and most of all, want a good job to walk into at the end of their training.

With that, I want to congratulate the gentleman from Ohio (Mr. BOEHNER) and the gentleman from California (Mr. MCKEON) for their good work.

Mr. BOEHNER. Mr. Chairman, will the gentleman yield?

Mr. VITTER. I yield to the gentleman from Ohio.

Mr. BOEHNER. Mr. Chairman, I think the gentleman from Louisiana (Mr. VITTER) makes a valuable contribution to the bill. I believe Members ought to support the amendment, and we would be happy to include it.

The CHAIRMAN. Does any Member claim the time in opposition?

Mr. KILDEE. Mr. Chairman, I ask unanimous consent to claim the time in opposition, although I do not oppose the amendment.

The CHAIRMAN. Without objection, the gentleman from Michigan (Mr. KILDEE) is recognized for 5 minutes.

Mr. KILDEE. Mr. Chairman, I yield such time as he may consume to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, numbers that were released today show that Oregon continues to record the highest jobless rate in the Nation at 7.6 percent. Since this administration took office, my State has lost 28,600 jobs, and over 2.5 million private sector jobs have been lost nationwide.

Rather than addressing directly this grave problem by focusing on investments and programs that could put people back to work today; for example, simply repairing bridges that are falling apart all across America, the proposal is to tamper with valuable worker retraining programs that are actually making a positive difference.

I agree with the gentleman from Ohio (Mr. BOEHNER) that there was some outstanding work that was done in 1998 under the leadership of the gentleman from California and the gentleman from Michigan. I think there were important changes, but this legislation is an unfortunate attempt to not just rearrange the deck chairs on the Titanic, but pull them out from underneath some victims.

The most optimistic outcome is that it will cause a disruption in some services that people need. It fails to address the pressing needs of disadvantaged and unemployed workers around the Nation, fails to provide enhanced funding, and fails to strengthen the State and local publicly provided unemployment services. The changes in this bill do little to improve the situation for hard-hit working families in the current economic downturn in my community.

Not only are we bringing forward legislation that at best is disruptive, they are preventing opportunities by Democrats to help our constituents. The House rule that brought the bill forward denied us an opportunity to vote on an amendment to extend unemployment insurance benefits by 26 weeks for newly unemployed workers.

My constituents tell me this legislation could not come at a worse time. We are taking money potentially from programs that work and are well-managed, and handing them back in a block grant form, to a certain extent, to governors in States that are operating in a crisis mode, and the money could end up anywhere.

At a cumulative budget shortfall of over $70 billion, our States are facing the worst financial crisis since World War II. It is time for us to keep our funding commitments for programs that work instead of reshuffling programs, making it harder to keep our promises.

I have no objection to the Vitter amendment. I did want to have an opportunity to clarify my concerns, and hope that we as a Congress before we adjourn this spring are able to come forward with something that will make a difference helping the economy in areas for people that need it.

Mr. VITTER. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Chairman Boehner) to address the comments on the bill by the gentleman from Oregon.

Mr. BOEHNER. Mr. Chairman, I support the Vitter amendment, but let me just clarify for Members what we are doing here in the reauthorization of WIA.

This is nothing more than a fine-tuning effort, further streamlining the funding stream, further clarifying that we expect the local boards to get most of the money to provide the resources, and to give the local boards the flexibility to provide high quality services to men and women in their communities who have needs.

I think the amendment offered by the gentleman from Louisiana (Mr. VITTER) says we need to consider what the needs are in the local communities and is in fact a valuable contribution. But no one should believe that we are doing a complete overhaul of the Workforce Reinvestment Act. These one-stop shops around the country by and large have begun to work very well.

What we are trying to do here in this reauthorization is to make those changes to help the one-stops do a more effective job in their local communities, and to provide the governors and the local boards with the kind of flexibility they need to look at the broad needs of the workforce, whether it is training, retraining, preparing people for better jobs in their communities.

We believe that the underlying bill does in fact make this much more likely because services will be offered more efficiently, the use of the resources will be more efficient. Thus, we believe that the outcomes, the results of all of this, will give us better services and better outcomes at home.

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Mr. KILDEE. Mr. Chairman, I yield the balance of my time to the gentlewoman from Texas (Ms. JACKSON-LEE).

The CHAIRMAN. The gentlewoman from Texas is recognized for 2½ minutes.

Ms. JACKSON-LEE of Texas. Mr. Chairman, if my colleagues want to know about jobs and job loss, they do not have to go any farther than Houston, Texas, when just about 2 years ago, Enron Corporation laid off thousands of employees that are now still suffering, an action that has built upon the increasing unemployment rate across the Nation.

Mr. Chairman, I would have liked to have been on the floor of the House today joining with my good friends on the other side of the aisle in passing a bill that would truly deal with workforce reinvestment and adult education. But in actuality what this does is rather than responding to the needs of the unemployed by extending unemployment benefits or including a jobs creation package, H.R. 1261 will repeal dedicated funding for vulnerable workers in America. It will probably impact Harris County and Houston, Texas, in a devastating way because, Mr. Chairman, we are still confronting the question of those unemployed workers.

Further, I would say that to my dismay, this bill gives to Governors the right to take unspecified amounts of funds from adult education, crucial, from disability and veterans services, crucial, and to cut job opportunities for the youth. Clearly, this is not a bill that creates jobs or responds to the needs of those who are in need.

And then I am disappointed that the Committee on Rules did not understand that our job is to create greater access to jobs, and that means that an amendment that I offered that dealt with the question of having online access to being able to get the training and the resources was an amendment that was not put in order, along with 12 to 13 other amendments of Democrats. If we are truly in the business of creating jobs, we would have done this in a bipartisan manner.

And then I think the ultimate insult, Mr. Chairman, of this legislation, and I am a believer in the first amendment, the freedom of religion, the freedom of speech, the freedom of association; but this Congress cannot in the year 2003 with the representations from Members of the other body about individuals' life-style or the individual's support of a President who would support segregationist policies, we cannot go on record in this body against civil rights, against civil liberties. This particular legislative initiative blindly allows individual groups to be able to discriminate against individuals on the basis of their religious beliefs.

Mr. Chairman, we can do better. I would think that we would want to do better. I would hope that my colleagues would vote this down, this legislative initiative, so we could go back to the drawing board and serve the American people as we should.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana (Mr. VITTER).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. VITTER. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Louisiana (Mr. VITTER) will be postponed.

The point of no quorum is considered withdrawn.

It is now in order to consider amendment No. 4 printed in House Report 108–92.

AMENDMENT NO. 4 OFFERED BY MR. KLINE

Mr. KLINE. Mr. Chairman, pursuant to the rule, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. KLINE:

Page 18, line 18, strike ''subsection (b)'' and insert ''subsection (b)(1)(B) and participating additional partner programs described in (b)(2)(B)''.

Page 18, strike lines 21 through 25 and insert the following:

''(B) DETERMINATION OF GOVERNOR.—Subject to subparagraph (C), the Governor, in consultation with the State board, shall determine the portion of funds to be provided under subparagraph (A) by each one-stop partner and in making such determination shall consider the proportionate use of the one-stop centers by each partner, the costs of administration for purposes not related to one-stop centers for each partner, and other relevant factors described in paragraph (3).

''(C) LIMITATIONS.—

''(i) PROVISION FROM ADMINISTRATIVE FUNDS.—The funds provided under this paragraph by each one-stop partner shall be provided only from funds available for the costs of administration under the program administered by such partner, and shall be subject to the limitations with respect to the portion of funds under such programs that may be used for administration.

''(ii) FEDERAL DIRECT SPENDING PROGRAMS.—Programs that are Federal direct spending under section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(8)) shall not, for purposes of this paragraph, be required to provide an amount in excess of the amount determined to be equivalent to the proportionate use of the one-stop centers by such programs in the State.''.

Page 19, line 3, insert ''in accordance with the formula established under paragraph (3)'' after ''local area''.

Page 20, line 2, strike ''subsection (b)'' and insert ''subsection (b)(1)(B) and participating partner programs described in subsection (b)(2)(B), or the noncash resources available under such programs''.

The CHAIRMAN. Pursuant to House Resolution 221, the gentleman from

Minnesota (Mr. KLINE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Minnesota (Mr. KLINE).

Mr. KLINE. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I am pleased to offer an amendment to H.R. 1261 that remedies concerns raised about the funding of one-stop development centers. Under current law, each partner program in the WIA system is to contribute to the cost of infrastructure for one-stop career centers. Unfortunately, many partners do not contribute as intended and the process for determining each partner's share has proved to be cumbersome at best. As a result, WIA has been left to cover the one-stop center infrastructure costs, and fewer funds have been available for the provision of services and training for individuals.

H.R. 1261 recognizes the problems of saddling WIA with most of the infrastructure costs and takes the steps to remedy those problems. H.R. 1261 requires partner programs to help pay administrative and infrastructure costs. The amount is determined at the State level in consultation with the State workforce investment board. Under the bill, the directors of mandatory partner programs will sit on this board, giving them a voice in the negotiation. Under H.R. 1261, the Governor makes the final determination of the appropriate amount of funding to be provided by each partner program. Unfortunately, this provision caused partner programs to be concerned that the Governor would be able to take needed program dollars away from direct services in order to pay for administrative costs at the one-stop career centers.

My amendment solves this problem by ensuring the administrative funding requirements will not cut into funding for the services program partners provide. My amendment will require the Governor to consult with the State board to determine the proportionate use of the one-stop centers by each partner. This consideration will ensure a program accounting for 10 percent of the usage of the center would not be responsible for 50 percent of the infrastructure costs. The Governor and the State board would also consider any additional administrative costs each program must cover in addition to those costs associated with the participation in the one-stop centers. This will ensure that program dollars intended for services to individuals are not spent on infrastructure costs.

Some may suggest that it would be better to create a new Federal program to cover infrastructure costs. Rather than create yet another government program, I would prefer to improve the program we have. When WIA passed in 1998, Congress expected the partner programs to pay their portion of the administrative costs of operation. The process outlined in H.R. 1261, as modified by my amendment, will ensure this happens while maintaining flexibility to each State to set the standards that work best for them. I think we would all agree that one of the hallmarks of WIA, the one-stop career center system, benefits both job seekers and the programs themselves. The centers provide individuals with streamlined access to a variety of programs and improve the efficient delivery of service. We cannot, however, expect these robust relationships to continue without reasonable, proportional financial participation. By streamlining the process, H.R. 1261 ensures the best use of investment by partner programs.

I urge my colleagues to support the amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member seek the time in opposition?

Mr. KILDEE. Mr. Chairman, I claim the time in opposition.

The CHAIRMAN. The gentleman from Michigan (Mr. KILDEE) is recognized for 5 minutes.

Mr. KILDEE. Mr. Chairman, I yield myself such time as I may consume.

The Kline amendment makes marginal improvements to the bill, but it does not reduce the funding that can be taken from veterans programs and programs serving individuals with disabilities. Instead, the Kline amendment puts this funding, and the services which it provides, at risk. I have two letters from leading organizations representing veterans and individuals with disabilities. Let me read from the letter from the National Rehabilitation Association:

''The Kline amendment would, we regret to say, have the unintended consequence of diverting deserving dollars from individuals with disabilities who want to work to fund a one-stop system which remains to this day largely inaccessible both programmatically and physically to individuals with disabilities.''

Let me also read a part of the letter from the Paralyzed Veterans Association of America:

''This amendment will not protect the disabled veterans outreach program and local veterans employment representatives services because the authorizing language for those programs sets no specific limits on administrative costs. As a result, the full amount of money appropriated for DVOPs and LVERs could, ostensibly, be directed by Governors to be used for one-stop infrastructure expenses.''

Clearly, this amendment does not address the critical issues of this legislation. It does, however, make marginal improvements. For that reason, I will not oppose it, but wish that we could get together at some point and try to improve the language.

NATIONAL REHABILITATION ASSOCIATION,
Alexandria, VA, May 8, 2003.

DEAR REPRESENTATIVE: As President and Executive Director of the National Rehabilitation Association, respectively, we have continuing concerns regarding the one-stop funding structure being proposed for mandatory and additional partner's participation in H.R. 1261 and in the proportionality approach to that funding embodied in the Kline amendment which was made in order under the Rule granted yesterday to this bill.

The National Rehabilitation Association was established in 1925 and is the longest-serving and one of the strongest advocates in ensuring the rights of individuals with disabilities are respected and realized. Our mission is to promote ethical and excellent practice in the field of vocational rehabilitation.

The Workforce Investment Act (WIA) comprises in Title IV programs administered under the Rehabilitation Act of 1973, as amended. The Public VR Program, as it is commonly known, is an accountable, eligibility-based employment program dedicated to the education, job training and counseling, career placement and independence of individuals with disabilities, including those individuals with significant disabilities.

The Public VR Program, being the productive partner that it is and always has been, continues to partner at the one-stops on a cost-allocation basis, consistent with OMB guidelines.

The Kline amendment would, we regret to say, have the unintended consequence of diverting deserving dollars from individuals with disabilities who want to work to fund a one-stop system which remains to this day largely inaccessible both programmatically and physically to individuals with disabilities.

The impact on individuals with disabilities is clear: If individuals with disabilities cannot get through the door of the one-stop shops, or do not find meaningful access to employment information once inside, these individuals will not become employed and may be forced to seek public assistance in lieu of advancing or initiating a career.

H.R. 1261 reneges on a promise by Congress to safeguard the separate funding stream of the Public VR Program, and in doing so, exposes the Public VR Program to a one-stop system that does not have a proven or uniform track record of accountability, according to a recent General Accounting Office (GAO) Report, and other well-respected organizations.

Both H.R. 1261 and the Kline amendment do not appreciate that the one-stops do not now have—nor have ever had—the qualified staff who provide comprehensive services and supports that individuals with disabilities require in seeking the dignity of work in an increasingly one-size-fits-all employment environment. These requirements include qualified rehabilitation counselors and other qualified professionals employed by accountable State Agencies, in conjunction with their Community Rehabilitation Program Partners (CRPs), who include private providers, employers and businesses.

Most importantly, the Kline amendment does not define the term ''proportionality'' and, accordingly, we are unsure of how and if this approach would work to the benefit of all individuals with disabilities who want to work.

Relatedly, the Public VR Program does not have a separate line item funding stream for administrative costs or a cap on administrative costs, which we believe, further complicates participation of the Public VR Program at the one-stops other than on a cost-allocation basis.

The untested, unproven proportionality approach advanced by the Kline amendment simply does not—and cannot—protect the millions of eligible individuals with disabilities who will benefit from the comprehensive services and supports that only the Public VR program can provide individuals with disabilities who want to work.

The Public VR Program has been doing more with less for years. Presently, there are

37 State Agencies on an Order of Selection, which places a priority of service on those individuals with the most significant disabilities. The waiting lists for the holistic services and supports that only the Public VR Program can provide individuals with disabilities increase everyday.

While the Public VR Program has served and secured employment for millions of eligible individuals with disabilities for decades, because of years of woeful underfunding, the following State Agencies cannot now serve all of the thousands upon thousands of eligible individuals with disabilities who seek the dignity of work and the comprehensive services that only the Public VR Program provides individuals with disabilities include, by Region:

Region I—Connecticut General, Maine General and Blind Agencies, Massachusetts General Agency, Rhode Island and Vermont General.

Region II—New Jersey General; the Virgin Islands.

Region III—Delaware Blind Agency, Maryland, Pennsylvania and West Virginia General Agencies.

Region IV—Georgia and Kentucky General and Blind Agencies, Mississippi, North Carolina, General Agency and Tennessee.

Region V—Illinois, Minnesota General, Ohio and Wisconsin.

Region VI—Iowa General, Kansas, Missouri General, Nebraska General.

Region VIII—Colorado; North Dakota.

Region VIII—Colorado, North Dakota.

Region IX—Arizona, California, Hawaii.

Region X—Oregon Blind, Washington State General Agency.

As we mentioned previously, these are the State Agencies that maintain continually-increasing waiting lists for eligible individuals with disabilities who want to share in the American Dream by having a career, owning a home, being able to support a family and living independently in their communities.

While having a career is the primary goal of the Public VR Program, this can only become a reality with a solid plan for employment developed with and supported by the Public VR qualified professionals in conjunction with the individual.

The Kline amendment does not and cannot solve the problems that individuals with disabilities continue to confront at the one-stops.

Just think about it. The Public VR Program is funding the administration of an inaccessible one-stop program—which is absent qualified staff and accountability—with funds designated for supporting the poorest group in our society with the highest unemployment rate and the majority of the community living below the poverty line.

Given the continuing, critical concerns the disability community at large has with the absence of accessibility, accountability and qualified staff at the one-stops, the National Rehabilitation Association cannot and will not support H.R. 1261.

Respectfully Submitted,

L. ROBERT MCCONNELL, PH.D.,
President.
MICHELLE VAUGHAN, MBA,
Executive Director.

PARALYZED VETERANS OF AMERICA,
Washington, DC, May 8, 2003.

Hon. JOHN TIERNEY,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN TIERNEY: On behalf of Paralyzed Veterans of America (PVA), I want to thank you for offering your amendment to create line item funding for the operating costs of one-stops under H.R. 1261. This would have been the surest way to protect veterans' employment programs from damaging diversion of funds authorized by the subject bill.

Regrettably, the Rules Committee rejected your amendment and approved one that requires states, in determining funds to be taken, to consider the proportionate use of the one-stop centers by each partner, the costs of administration unrelated to the use of the one-stop center by each partner and other relevant factors. This amendment further requires that the funds provided by the one-stop partner programs for infrastructure costs are to be provided from funds available for administrative costs under the program and that those funds would be subject to whatever administrative cost limits are applicable to that program.

This amendment will not protect the disabled veterans outreach program (DVOP) and local veterans' employment representatives (LVERs) services because the authorizing language for those programs sets no specific limits on administrative costs. As a result, the full amount of money appropriated for DVOPs and LVERs could, ostensibly, be directed by Governors to be used for one-stop infrastructure expenses.

Thank you again for your efforts on behalf of veterans and veterans with disabilities.

Sincerely,

RICHARD FULLER,
National Legislative Director.

Mr. Chairman, I reserve the balance of my time.

Mr. KLINE. Mr. Chairman, I yield the balance of my time to the gentleman from Ohio (Mr. BOEHNER), the chairman of the committee.

The CHAIRMAN. The gentleman from Ohio is recognized for 2 minutes.

Mr. BOEHNER. Mr. Chairman, let me thank my colleague and new member of our committee, the gentleman from Minnesota (Mr. KLINE), for his important contribution. Many of us believe that the language was sufficient in the bill, but clearly there were questions raised about how the determination was going to be made over how much each of the participating partners were going to contribute to the infrastructure. The amendment that is offered here does in fact make it clear to the Governors that there is a proportionate share that each of these groups will contribute.

Why is this necessary? Unfortunately in some parts of the country, some groups just decided they were not going to be participating partners. Our goal here is to have one-stops where all of the providers of services are there. We are talking about providers of services that are funded by the Federal Government. They need to be participating. What we do here is to make sure that they have a financial commitment to the well-being of these one-stops as well.

The gentleman from Michigan makes a point that not all of these mandatory partners have administrative funds. Most of them do. Their participation in the funding of the infrastructure would come from their own administrative funds. But the one point that he did bring up was the veterans programs. They have administrative funds and it is done by regulatory process as opposed to being outlined in statute. And so we believe that because each of these groups has administrative funds by some means, the Governors and the statewide WIA board would take that into consideration in terms of what the proportionate share of costs should be for each of these groups. I do think the gentleman from Minnesota makes an important contribution, helps clarify the bill, and we should support his amendment.

Mr. KILDEE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. KLINE).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 5 printed in House Report 108–92.

AMENDMENT NO. 5 OFFERED BY MR. LEWIS OF GEORGIA

Mr. LEWIS of Georgia. Mr. Chairman, pursuant to the rule, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. LEWIS of Georgia:

Page 36, line 4, strike ''21'' and insert ''24''.

The CHAIRMAN. Pursuant to House Resolution 221, the gentleman from Georgia (Mr. LEWIS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Georgia (Mr. LEWIS).

Mr. LEWIS of Georgia. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 1261 as written leaves out a significant portion of its targeted population that needs job training. My simple amendment would extend the eligibility requirement from 21 years of age to 24 years of age for training programs in the Workforce Reinvestment and Adult Education Act. Existing job training programs such as Job Corps, YouthBuild, Conservation Corps, and others already use the age range 16 to 24. Extending the age from 21 to 24 will enable the Workforce Reinvestment and Adult Education Act to coincide with organizations that benefit from it.

When young people drop out of high school, they are in a suspended state of adolescence, not taking responsibility for themselves financially or otherwise. They often are unable to get a job or support themselves or their children, if they have children. Furthermore, the needs of the 22- to 24-year-old high school dropouts are more like the needs of the 18- to 21-year-olds than their counterparts in their late twenties and thirties. The process of completing their high school education, preparing for the workforce, the world of work, and developing the values of responsibility and the sense of belonging to a community are the difficult tasks of youth, but some have taken a detour onto the streets or prison. When they get back on track, they still need to be mentored. They need

help, a sense of purpose, a sense of direction. They simply have not learned the skills and responsibilities in the work world to be adults. This amendment will help our young people meet this goal.

Mr. Chairman, I have visited organizations such as YouthBuild and Job Corps. I must tell you they do good work. These are good and necessary programs to help our young people get ahead. I strongly urge my colleagues, all of my colleagues, to pass this amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Does any Member seek the time in opposition?

Mr. BOEHNER. Mr. Chairman, I ask unanimous consent to claim the time in opposition, even though I am not opposed to the amendment.

The CHAIRMAN. Without objection, the gentleman from Ohio is recognized for 5 minutes.

There was no objection.

Mr. BOEHNER. Mr. Chairman, let me congratulate my friend and colleague from Georgia for his amendment and make it clear that I support his amendment.

The amendment ensures that States and local areas have flexibility in creating their own out-of-school youth program. For instance, a State may find it beneficial to allow youth who begin participating in an out-of-school youth program to continue in the program beyond the 21st birthday in order to complete the program. Often 22-, 23- and 24-year-olds have many of the same basic educational and job training needs as youth under the age of 21.

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And I think that the amendment offered by the gentleman from Georgia (Mr. LEWIS) aligns the eligibility age with other programs serving youth, including JobCorps and Youth Build, and this will allow greater coordination amongst programs serving youth and could ease the transition for these youth into employment and self-sufficiency programs. So I congratulate the gentleman for his amendment and urge my colleagues to support it.

Mr. LEWIS of Georgia. Mr. Chairman, I thank the gentleman from Ohio (Mr. BOEHNER).

Mr. Chairman, I ask unanimous consent to reclaim my time.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The gentleman from Georgia (Mr. LEWIS) has 2½ minutes remaining.

Mr. LEWIS of Georgia. Mr. Chairman, I yield 1 minute to the gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Chairman, I thank the gentleman for yielding me this time.

I am very familiar with the group that he is seeking to serve here. In the City of Flint, Michigan, we have people who really have a sense to find themselves during that period in their life, and I think extending this to age 24 is a reasonable thing for us to do and will make sure that we give those people in that age group that second chance to find themselves and to set goals for themselves. So I think this will be something that will add immeasurably to the bill, and I am very happy that the gentleman has offered the amendment and certainly urge everyone to support the amendment.

I know the gentleman from Atlanta has been up to my city and I have been to his city. We have seen youth in this group.

The CHAIRMAN. The gentleman has 1½ minutes remaining.

Mr. LEWIS of Georgia. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman for yielding me this time.

This is an excellent amendment, and the reason why I say that is because this is the month of May, when a number of our students are graduating from college, many of them older than the age originally in this legislation, and extending this to the age of 24 responds not only to those students who may be older in our colleges but also to returning veterans and military personnel who will be older. So might I just join in supporting this excellent amendment, and I would like to add as well my support for the amendment to be coming forth of the gentlewoman from California (Ms. MILLENDER-MCDONALD) dealing with single parents and pregnant women and others to expand the opportunity for training.

So I thank the gentleman for yielding, and I want to say this is a very progressive but important amendment on helping a large number of these young people who are in need of these very vital services.

Mr. LEWIS of Georgia. Mr. Chairman, I thank the gentlewoman.

Mr. Chairman, I yield back the balance of my time.

Mr. BOEHNER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. LEWIS).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 6 printed in House Report 108–92.

AMENDMENT NO. 6 OFFERED BY MR. KILDEE

Mr. KILDEE. Mr. Chairman, as designee of the gentleman from Florida (Mr. HASTINGS), I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. KILDEE:

Page 49, line 10, strike ''80 percent'' and insert ''85 percent''.

Page 49, line 13, strike ''20 percent'' and insert ''15 percent''.

The CHAIRMAN. Pursuant to House Resolution 221, the gentleman from Michigan (Mr. KILDEE) as the designee of the gentleman from Florida (Mr. HASTINGS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Chairman, I yield myself such time as I may consume.

We have discussed this amendment with the majority, and we have agreement upon this.

This amendment simply would increase the amount of funding going to local areas by a statutorily defined formula.

Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. HASTINGS).

(Mr. HASTINGS of Florida asked and was given permission to revise and extend his remarks.)

Mr. HASTINGS of Florida. Mr. Chairman, I thank the ranking member for yielding me this time, and I am thankful for the opportunity for this intervention.

I rise to offer the amendment to the Workforce Investment Act Reinvestment and Adult Education Act of 2003. Although this amendment is a technical one, if enacted, it will result in an increase of need-based funding for virtually every workforce development board in the country. In fact, if the administration's fiscal year 2004 budget request is appropriated, the amendment would result in an increase of no less than $77.5 million in guaranteed formula or need-based funding in areas with highest demand for assistance. Specifically, the amendment requires that no less than 85 percent of the total funds allocated to local boards under the Comprehensive Employment and Training Activities for Adults program are formula based. H.R. 1261, as reported, establishes a formula for this funding that takes into consideration the unemployment rate of a given area compared with the entire State and the size of the workforce. Further, it gives priority to those living in areas of high unemployment as well as disadvantaged individuals.

I rise today to offer an amendment to the Workforce Reinvestment and Adult Education Act. Although my amendment is a technical one, if enacted, it will result in an increase of need-based funding for virtually every workforce development board in the country.

In fact, if the Administration's Fiscal Year 2004 budget request is appropriated, my amendment would result in an increase of no less than $77.5 million in guaranteed formula- or need-based funding in areas with the highest demand for assistance.

Specifically, the amendment requires that no less than 85 percent of the total funds allocated to local boards under the Comprehensive Employment and Training Activities for Adults program are formula-based. H.R. 1261, as reported, establishes a formula for this funding that takes into consideration the unemployment rate of a given area compared with the entire state and size of the workforce. Further, it gives priority to those living in areas of high unemployment, as well as disadvantaged individuals.

My amendment ensures that those areas with the highest unemployment rates and

need for job training receive the greatest level of immediate and guaranteed assistance.

Even more, my amendment limits the ability of governors—Democrat or Republican—to play politics with adult job training and education funds, as well as those funds intended for dislocated worker assistance. The amendment is fair, and it is certainly in line with what Congress intended when it initially passed the Workforce Investment Act in 1998.

Mr. Chairman, America is faced with an unemployment epidemic of enormous proportion. Today, 8.8 million hard working Americans are out of jobs, many for reasons beyond their own control. Nearly 2 million of them have been without work for 27 weeks, and the average length of unemployment is almost 20 weeks, the highest since 1984.

Unfortunately, relief is nowhere in site. 4.8 million workers are stuck in part-time jobs because they can't find full-time work, and there is a meager one job available for every three unemployed workers looking.

My amendment sends guaranteed help to those most in need. It places assistance over politics and ensures that those without jobs receive a greater level of assistance than they currently do under H.R. 1261.

I urge my colleagues to support my amendment.

Mr. BOEHNER. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS of Florida. I yield to the gentleman from Ohio.

Mr. BOEHNER. Mr. Chairman, I thank the gentleman from Florida for yielding.

Under the bill 80 percent of the funds are, under formula, to go to the local boards. This would bring that to 85 percent. I do think it gives the local boards more certainty over exactly the kind of funding that they should expect from year to year, would reduce the amount of dislocation or expectation as to what is coming in. I think he makes a valuable contribution, and we would be pleased to accept the amendment.

Mr. HASTINGS of Florida. Mr. Chairman, I thank the gentleman.

Mr. KILDEE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. KILDEE).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 7 printed in House Report 108–92.

AMENDMENT NO. 7 OFFERED BY MS. MILLENDER-MCDONALD

Ms. MILLENDER-MCDONALD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Ms. MILLENDER-MCDONALD:

Page 65, line 14, insert '', including single parents, displaced homemakers, and pregnant single women,'' after ''individuals''.

The CHAIRMAN. Pursuant to House Resolution 221, the gentlewoman from California (Ms. MILLENDER-MCDONALD) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from California (Ms. MILLENDER-MCDONALD) on her amendment.

Ms. MILLENDER-MCDONALD. Mr. Chairman, I yield myself such time as I may consume.

I thank the committee for the work that they have done on this act.

I am here today to offer my amendment to H.R. 1261. My concern is reflected in my amendment, and it is to ensure that all training and intensive services offered under the Workforce Investment Act continues to focus on displaced homemakers, single parents, and teen pregnant parents. It is imperative that displaced homemakers and other women in need are prepared for employment in nontraditional careers and that once they are employed they will be able to achieve a level of self-sufficiency. I have had first hand on this issue as I served as the director of Gender Equity in Los Angeles.

Men and women go to work because families depend more on women's income now more than ever before. Today's families with two full-time incomes are the least likely to live in poverty. Some women work because they are especially in need of economic independence that a job brings. Currently, there are 7 million displaced homemakers and 10 million single mothers living in the United States. And given the economic decline, I want to be certain that these individuals' needs continue to be met as they will be entering the workforce. As of 2001, working women were 40 percent more likely to be poor than working men and 6.6 percent of working women were living below the poverty line, according to the U.S. Census Bureau.

What we have learned since the JTPA was replaced by the WIA is that under the former JTPA, 149,356 displaced workers received job training in 1998, while 42,426 dislocated workers completed job training under its replacement, the Workforce Investment Act, or WIA, through the end of 2000. However, these numbers are not reflective of the displaced homemakers, the single parents, and the teen parents, and these are the folks who are in dire need of job training. While 40,468 displaced and dislocated workers were participating in the WIA training service in 2000, and they were women, we still are not recruiting, Mr. Chairman, or identifying those classes of prospective workers who need the job training necessary for a productive work success.

Among the adults served by WIA through 2000, 60 percent were women, 78 percent of those whom we talk about were unemployed upon the registration and 11 percent of whom received the TANF, Temporary Assistance for Needy Families. Fifty-eight percent of the adults participating in WIA in 2000 either held high school diplomas or had attained a higher level of education. About 40 percent of these adults received training services. While this is very important, it does not address those who are lacking a high school diploma or were unable to complete their education because of family matters.

Mr. Chairman, it should be noted that 121,000 fewer adults were trained under WIA in 2000 than received training under JTPA in 1998. These displaced homemakers and single parents are also greatly in need of the comprehensive job training services offered by WIA. We will be doing a great disservice to these women, particularly those from disadvantaged backgrounds, if we fail to adequately expose and educate them to work in high technology and nontraditional jobs.

Given the statistics in how these women are underrepresented in job training, we can and must do more to assist these displaced homemakers, single parents, and teen parents who are seeking employment for the first time as well as those who need to acquire 21st century skills in order to become marketable and economically self-sufficient in the emerging 21st century workplace. They are our today and tomorrow workforce. We must prepare them through comprehensive training and intensive service for this new high tech work environment.

Mr. BOEHNER. Mr. Chairman, will the gentlewoman yield?

Ms. MILLENDER-MCDONALD. I yield to the gentleman from Ohio.

Mr. BOEHNER. Mr. Chairman, I think the gentlewoman does make an important contribution to the bill and clarifies that these out-of-work homemakers and single mothers do in fact play a role and do need services and should in fact be considered in a higher level as funds are being distributed to the local boards, and I ask Members to support the gentlewoman's amendment.

Ms. MILLENDER-MCDONALD. Mr. Chairman, I thank the distinguished chairman.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from California (Ms. MILLENDER-MCDONALD).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 8 printed in House Report 108–92.

AMENDMENT NO. 8 OFFERED BY MS. KAPTUR

Ms. KAPTUR. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Ms. KAPTUR:

Page 86, line 20, insert ''assistance regarding accounting and program operation practices (when such assistance would not be duplicative to assistance provided by the State),'' after ''this title,''.

Page 87, line 2, strike the period and insert ''; and''

Page 87, after line 2, inset the following:

(5) by inserting, after subsection (c) (as redesignated by paragraph (3)), the following:

''(d) BEST PRACTICES COORDINATION.—The Secretary shall establish a system whereby

States may share information regarding best practices with regards to the operation of workforce investment activities under this Act.''

The CHAIRMAN. Pursuant to House Resolution 221, the gentlewoman from Ohio (Ms. KAPTUR) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Ohio (Ms. KAPTUR) on her amendment.

Ms. KAPTUR. Mr. Chairman, I yield myself such time as I may consume.

I want to thank the Committee on Rules. I want to thank the gentleman from Ohio (Mr. BOEHNER) of the Committee on Education and the Workforce and the gentleman from Michigan (Mr. KILDEE), ranking member, for allowing us to move this amendment today, and I want to acknowledge the hard work of Keysha Brooks-Coley on my own staff who has worked so very hard on this amendment and others.

This past Friday the Department of Labor reported that unemployment again went up in our country to a level of 8.8 million citizens, of which at least 250,000 are unemployed in the State of Ohio, and the unemployment level is now somewhere around 6 percent of those that we are still counting.

Without question people need access to training and to transitional assistance, which this bill offers so much hope to those who are struggling out there, trying to find a good-paying job with good benefits. The amendment I have proposed would strengthen the technical assistance provisions of the underlying bill to allow the Department of Labor where a State does not do it to give help to localities to apply for the program and to administer the program.

□ 1415

It would also require that a best practices system be established at the Department of Labor, so if a county in New York wants to learn what a county in Illinois might have done, or vice versa, that that would be available.

The amendment would require the Department of Labor to establish a coordinated system so there is no duplication at all. For example, in the technical assistance, it would only be allowed to be provided when the State itself is not doing it.

So this amendment was two parts: to better help the localities to apply, and then best practices.

I would like to just say for the record, if I could, Mr. Chairman, that we did try to offer another amendment and it was not allowed in order in the Committee on Rules. But I do think it is important with the gentleman from Ohio (Chairman BOEHNER) and the ranking member, the gentleman from California (Mr. GEORGE MILLER), here on the floor, to just state for the record that in a State like Ohio, which ranks at the bottom in terms of drawdowns of these funds, I really hope that as this bill is perfected, as it moves over to the other body and through conference, that some thought might be given to the accounting aspect of our funds, the Federal funds that are sent to the States, and to require quarterly reports, and also to differentiate between allocations to the State and actual expenditures by the State and the local counties.

Believe me, its impossible to get this information. We cannot even obtain it for a State like our own from the Department of Labor. We asked the General Accounting Office to become involved in this. Even they have not been able to obtain these numbers.

Frankly, I would like to strongly recommend to the committee that if dollars have not been spent by the States that there be a pass-through to the localities, so that our counties that are dealing with unemployed people and people needing training every day would have the flexibility to expend funds that, for whatever reason, seem to be getting lost or stored at the State capital level and never really getting down to those who need to establish contracts for trading with those who are unemployed.

Mr. Chairman, although this amendment does not deal with that, I would ask Members for strong consideration of the amendment that does require technical assistance to be given by the Department of Labor if the States are not doing it and also to establish this best-practices opportunity at the Department of Labor, so people can learn across our country, from one State to another, from one county to another, and strongly urge the committee to think about requiring strict accounting of these dollars, with quarterly reports and differentiating between expenditures and allocations, and then, if the State is not spending the money, allowing the locality to receive the pass-through of those funds.

I would ask for support of this amendment.

The CHAIRMAN. Does any Member claim the time in opposition?

Mr. BOEHNER. Mr. Chairman, I ask unanimous consent to claim the time in opposition, even though I am not opposed to the gentlewoman's amendment.

The CHAIRMAN. Without objection, the gentleman from Ohio (Mr. BOEHNER) is recognized for 5 minutes.

There was no objection.

Mr. BOEHNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me ask my colleagues to support the gentlewoman from Ohio's amendment. I think for those States that do not provide the technical assistance to the local boards, they need that help, especially in terms of the financial integrity of the funds that they are dealing with. I do believe that the Department is in a position to do that. I would obviously think the sharing of best practices, that forum needs to occur, and somewhere at the Department of Labor is the most likely place for it to occur.

I should note with regard to the other amendment that the gentlewoman had offered that was not made in order under the rule dealing with the financial integrity of the monies that move from here to the States, that we do clarify the issue of obligations versus expenditures, which we think is an important step in ensuring that there is a clear picture of what the drawdown numbers are, which today I do not think is as clear as it could be.

We will continue to work with the gentlewoman as we get into conference at some point with the Senate in terms of ensuring that these Federal funds are used for their intended purpose.

With that, I would urge my colleagues to support the gentlewoman's amendment.

Mr. Chairman, I yield back the balance of my time.

Ms. KAPTUR. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me just thank the chairman very much for his openness to these amendments and for working on this with us to perfect the legislation as it moves through the process. I am very grateful for that and grateful to the gentleman from California (Mr. GEORGE MILLER), the gentleman from Michigan (Mr. KILDEE), and the Committee on Rules.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time having expired, the question is on the amendment offered by the gentlewoman from Ohio (Ms. KAPTUR).

The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MR. VITTER

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Louisiana (Mr. VITTER) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 423, noes 0, not voting 11, as follows:

[Roll No. 173]

AYES—423

Abercrombie	Bereuter	Boyd
Ackerman	Berkley	Bradley (NH)
Aderholt	Berman	Brady (PA)
Akin	Berry	Brady (TX)
Alexander	Biggert	Brown (OH)
Allen	Bilirakis	Brown (SC)
Baca	Bishop (GA)	Brown, Corrine
Bachus	Bishop (NY)	Brown-Waite,
Baird	Bishop (UT)	Ginny
Baker	Blackburn	Burgess
Baldwin	Blumenauer	Burns
Ballance	Blunt	Burr
Ballenger	Boehlert	Burton (IN)
Barrett (SC)	Boehner	Buyer
Bartlett (MD)	Bonilla	Calvert
Barton (TX)	Bonner	Camp
Bass	Bono	Cannon
Beauprez	Boozman	Cantor
Becerra	Boswell	Capito
Bell	Boucher	Capps

Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Clay
Clyburn
Coble
Cole
Collins
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—11

Andrews
Combest
Conyers
DeLay
Dingell
Feeney
Gephardt
Goss
Miller, Gary
Rohrabacher
Schrock

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN (during the vote). Members are advised there are 2 minutes left to vote.

□ 1440

Ms. DELAURO changed her vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Mr. GOSS. Mr. Chairman, on rollcall No. 173, I was unavoidably detained. Had I been present, I would have voted ''aye.''

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. LATOURETTE) having assumed the chair, Mr. LAHOOD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1261) to enhance the workforce investment system of the Nation by strengthening one-stop career centers, providing for more effective governance arrangements, promoting access to a more comprehensive array of employment, training, and related services, establishing a targeted approach to serving youth, and improving performance accountability, and for other purposes, pursuant to House Resolution 221, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. GEORGE MILLER OF CALIFORNIA

Mr. GEORGE MILLER of California. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. GEORGE MILLER of California. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. George Miller of California moves to recommit the bill H.R. 1261 to the Committee on Education and the Workforce with instructions to report the same back to the House promptly with an amendment that will achieve the policy of providing direct spending for 26 weeks of income support for unemployed individuals who have exhausted regular unemployment benefits and an additional 13 weeks of income support for individuals who have exhausted their Federal extended unemployment benefits, through the Workforce Investment Act in a manner equivalent to the receipt of Federal extended unemployment insurance benefits.

□ 1445

The SPEAKER pro tempore (Mr. LATOURETTE). Pursuant to the rule, the gentleman from California (Mr. GEORGE MILLER) is recognized for 5 minutes in support of his motion.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, this week in the Committee on Ways and Means we attempted to offer this amendment to extend unemployment insurance benefits for those people who are going to lose their benefits at the end of this month.

That bill will spend $550 billion but does not provide one penny for those people who are going to lose their unemployment insurance benefits at the end of this month. Every prior recession we have extended Federal unemployment benefits for far longer than we have in this recession even though this recession is deeper than the prior recessions.

Mr. Speaker, in the next 6 months if we do not extend Federal unemployment insurance, 2 million of our fellow citizens are going to exhaust their State benefits. We have already seen 1 million of our citizens exhaust their extended benefits. What this motion simply does is we should be extending Federal unemployment insurance by 26 weeks and for those who have exhausted their benefits under the Federal system, an additional 13 weeks.

Mr. Speaker, the money is in the Federal unemployment trust account to pay for this; $21 billion is there. The money is there just for that reason, for

a recession. We should do it. For those who are interested in helping stimulate the economy, the study by the Department of Labor found that every dollar of unemployment benefits generated $2.15 of economic activity. It is the right policy to do. It will help our economy. We have done it in the past on a bipartisan basis. We are going to use every opportunity we can. We have to do this before the end of this month.

I urge my colleagues to support the motion to recommit so that we can move forward to help the unemployed in our community.

Mr. Speaker, I thank the gentleman for yielding me time.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Speaker, this motion responds to the economic realities that American families are facing today. We have 8.8 million individuals who are out of work. We have a growing budget deficit of about a half trillion dollars. Most alarming is the fact that three unemployed individuals are competing for every job.

In light of these dire economic conditions, this motion responds to America's needs by extending UI benefits. This motion would extend UI benefits for 26 weeks for newly unemployed workers and 13 weeks for those who have exhausted their benefits. Mr. Speaker, over 42 percent of those individuals who have exhausted their benefits are still unemployed under the present economic conditions.

Mr. Speaker, nearly 9 million workers are unemployed. The current UI extension expires at the end of this month, only 24 days from now. Where is the compassion of this House? How can we leave our Nation's families guessing as to when their next meal will be coming?

Mr. Speaker, this motion deserves the support of the House today.

The SPEAKER pro tempore. The gentleman from California (Mr. GEORGE MILLER) has 2½ minutes remaining on this motion.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this amendment would have the effect of providing an equivalent of 26 weeks of unemployment insurance to individuals who have exhausted both their State and their Federal extended benefits. The importance of this amendment is that it can provide a certainty to those people who are going to exhaust their benefits to know that these benefits will be there. We have tried in the Committee on Ways and Means yesterday to offer an amendment to send a message to these families. It was rejected. We tried in our committee. It was rejected. We tried in the Committee on Rules last night. It was rejected.

None of you, if you were in the situation of these families, would want to be taken up to the eve of the exhaustion of your benefits or, as we did a few months ago, we went past the exhaustion of the benefits. They exhausted on the 31st, and we went into January before we approved those benefits.

We owe it to these families. These families were working before their job disappeared. They are trying to provide for their families. They are trying to provide for their health care. They are trying to provide for their education and keep their house and keep their car. The least we can do is let them know in advance, but so far the Republican leadership has refused to do that.

The administration claims that they are still debating on whether or not they will extend the unemployment benefits upon exhaustion. Every member of our committee voted for this amendment. Every member of our committee on our side of the aisle spoke for this amendment because it is a compassionate thing to do. It is a decent thing to do, and it is a smart economical thing to do because this money to these families will enable them to participate in the economy and put demand into the economy. It is the minimum that we can do. We would like to just have a simple extension of the unemployments benefits, but so far there has been a deaf ear on the other side of the aisle on that matter.

So we would like to have this motion to recommit to succeed, to go back and to extend the equivalent of those 26 weeks to those individuals and to those families that are in dire straits. A million more families have exhausted their benefits than at this time in the last recession. The severity and the duration of this economic downturn is such, and this administration has yet to take a single step, a single step to help create jobs in this country, to help create the benefits for these individuals that they need.

That is what this amendment helps us to address. The first plan of this administration was a massive failure. They passed their big tax cut, a trillion dollars, and we have lost 2½ million jobs. We cannot just do more of the same. The American families that are under this economic stress in this job market in this lousy economy deserve better.

Mr. BOEHNER. Mr. Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. BOEHNER) is recognized for 5 minutes.

Mr. BOEHNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill before us is about helping job seekers find meaningful employment. And we know the one-stop shops have worked. And the underlying bill seeks to fine-tune that process, to make it more effective in helping more people find and keep meaningful employment.

Now, the motion to recommit is about the issue of unemployment insurance, something that is not in the purview of our committee. Now, Members in this House on both sides of the aisle have worked together to extends unemployment benefits on a regular basis, and I have full confidence that we will continue to do that if the need persists.

We are going to continue to meet our commitment and our resolve in this Congress to help those who are in fact unemployed. But let me just point out that if anyone thinks that the motion to recommit is going to result in one unemployed worker getting one additional dollar this year, they are wrong. This does not extend unemployment insurance through the unemployment insurance system. It would take the money and send it to the local one-stops, who have no system for distributing unemployment, and require them to distribute the money.

I will guarantee you there is not one dime that would flow to one unemployed worker within 2 years under this mechanism that was set up within the rules of the House in order to try to get this issue on the table today.

And if there is something that is even worse than that, in the motion to recommit it refers it back to the committee and we are promptly to deal with it. For those of you who are not that familiar with the nuance, that means the bill is dead forever.

Mr. Speaker, I yield the balance of my time to the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means.

Mr. THOMAS. Mr. Speaker, I thank the gentleman for yielding me time.

We are the committee that will deal with the issue. And the gentleman from Ohio (Mr. BOEHNER), the chairman of the Committee on Education and the Workforce, is correct, this motion to recommit says promptly, not forthwith. That means that everything they said means absolutely nothing, or perhaps that is too drastic a statement. When they said that they are going to have spending for 26 weeks, that is a bubble; and if you touch it, it bursts. When they said they are going to provide an additional 18 weeks of income support, that is a bubble; and if you touch it, it bursts, because the underlying structure of this motion to recommit kills the bill. That is what this motion to recommit does. No one will lose their unemployment payment, currently unemployed, all the way through August.

The gentleman from Maryland was correct, there are sufficient funds. The Committee on Ways and Means will act. The problem is they want to create a phony issue at a phony time so that they can act like they are going to do something. What they propose to do is blow bubbles. We propose to act and solve the problem. Vote ''yes'' on the motion to recommit, you kill the bill. Vote ''no'' and you will get an addressing of this problem in an appropriate time frame.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. GEORGE MILLER of California. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic votes on the question of final passage and on the motion to suspend the rules and agree to House Resolution 213.

The vote was taken by electronic device, and there were—yeas 202, nays 223, not voting 9, as follows:

[Roll No. 174]

YEAS—202

Abercrombie
Ackerman
Alexander
Allen
Baca
Baird
Baldwin
Ballance
Becerra
Bell
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Case
Clay
Clyburn
Conyers
Cooper
Costello
Cramer
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gonzalez
Gordon
Green (TX)
Grijalva
Gutierrez
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kleczka
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velazquez
Visclosky
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NAYS—223

Aderholt
Akin
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bereuter
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole
Collins
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Goss
Granger
Graves
Green (WI)
Greenwood
Gutknecht
Hall
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Janklow
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCotter
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller (MI)
Moran (KS)
Murphy
Musgrave
Myrick
Nethercutt
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Porter
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Upton
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—9

Andrews
Combest
DeLay
Dingell
Feeney
Gephardt
Herger
Miller, Gary
Schrock

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LATOURETTE) (during the vote). The Chair would advise all Members there are 2 minutes left in this vote, approximately 2 minutes.

□ 1515

Mr. JOHNSON of Illinois changed his vote from ''yea'' to ''nay.''

Mrs. MALONEY changed her vote from ''nay'' to ''yea.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. LATOURETTE). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. KILDEE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote followed by a second 5-minute vote on a motion to suspend the rules.

The vote was taken by electronic device, and there were—ayes 220, noes 204, not voting 10, as follows:

[Roll No. 175]

AYES—220

Aderholt
Akin
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bereuter
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole
Collins
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeMint
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Dunn
Ehlers
Emerson
Everett
Ferguson
Fletcher
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Goss
Granger
Graves
Green (WI)
Greenwood
Gutknecht
Hall
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Janklow
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
Marshall
McCotter
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller (MI)
Murphy
Musgrave
Myrick
Nethercutt
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Ose
Otter
Oxley
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Porter
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Stenholm
Sullivan
Sweeney
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Upton
Vitter
Walden (OR)
Walsh
Weldon (FL)
Weldon (PA)

Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOES—204

Abercrombie
Ackerman
Alexander
Allen
Baca
Baird
Baldwin
Ballance
Becerra
Bell
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Case
Clay
Conyers
Cooper
Costello
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Doggett
Dooley (CA)
Doyle
Duncan
Edwards
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Flake
Ford
Frank (MA)
Frost
Gonzalez
Gordon
Green (TX)
Grijalva
Gutierrez
Harman
Hastings (FL)
Hefley
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kleczka
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lynch
Majette
Maloney
Markey
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Tancredo
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velazquez
Visclosky
Wamp
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—10

Andrews
Clyburn
Combest
DeLay
Dingell
Emanuel
Feeney
Gephardt
Miller, Gary
Schrock

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1523

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. EMANUEL. Mr. Speaker, on rollcall No. 175, I was unavoidably detained. Had I been present, I would have voted "no."

EXPRESSING THE SENSE OF THE HOUSE OF REPRESENTATIVES THAT PUBLIC SERVICE EMPLOYEES SHOULD BE COMMENDED FOR THEIR DEDICATION AND SERVICE TO THE NATION

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the resolution, H. Res. 213.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. MURPHY) that the House suspend the rules and agree to the resolution, H. Res. 213, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 418, nays 0, not voting 16, as follows:

[Roll No. 176]

YEAS—418

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Clay
Coble
Cole
Collins
Conyers
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Dooley (CA)
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Ney
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—16

Andrews
Berman
Clyburn
Combest
DeLay
Dingell
Doolittle
Feeney
Gephardt
Greenwood
Kaptur
McCrery
Miller, Gary
Northup
Putnam
Schrock

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1530

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 1261, WORKFORCE REINVESTMENT AND ADULT EDUCATION ACT OF 2003

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 1261, the Clerk be authorized to make technical corrections and conforming changes to the bill.

The SPEAKER pro tempore (Mr. LATOURETTE). Is there objection to the request of the gentleman from Ohio?

There was no objection.

HOUR OF MEETING ON TOMORROW

Mr. BOEHNER. Mr. Speaker, I move that when the House adjourns today, it adjourn to meet at 9 a.m. tomorrow.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. BOEHNER).

The motion was agreed to.

REPORT ON RESOLUTION PROVIDING AMOUNTS FOR EXPENSES OF COMMITTEE ON HOMELAND SECURITY IN THE 108TH CONGRESS

Mr. NEY, from the Committee on House Administration, submitted a privileged report (Rept. No. 108–93) on the resolution (H. Res. 110) providing amounts for the expenses of the Committee on Homeland Security in the 108th Congress, which was referred to the House Calendar and ordered to be printed.

MAKING IN ORDER AT ANY TIME CONSIDERATION OF HOUSE RESOLUTION 148, PROVIDING FOR EXPENSES OF CERTAIN COMMITTEES OF THE HOUSE OF REPRESENTATIVES IN THE 108TH CONGRESS

Mr. NEY. Mr. Speaker, I ask unanimous consent that it shall be in order at any time without intervention of any point of order to consider House Resolution 148;

The resolution shall be considered as read for amendment;

The amendment recommended by the Committee on House Administration now printed in the resolution, modified by the amendment that I have placed at the desk, shall be considered as adopted;

The resolution, as amended, shall be debatable for 1 hour, equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration; and

The previous question shall be considered as ordered on the resolution, as amended, to final adoption without intervening motion.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Strike all after the resolved clause and insert the following:

SECTION 1. COMMITTEE EXPENSES FOR THE ONE HUNDRED EIGHTH CONGRESS.

(a) IN GENERAL.—With respect to the One Hundred Eighth Congress, there shall be paid out of the applicable accounts of the House of Representatives, in accordance with this primary expense resolution, not more than the amount specified in subsection (b) for the expenses (including the expenses of all staff salaries) of each committee named in such subsection.

(b) COMMITTEES AND AMOUNTS.—The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $10,327,531; Committee on Armed Services, $11,931,357; Committee on the Budget, $11,869,572; Committee on Education and the Workforce, $14,673,371; Committee on Energy and Commerce, $18,622,138; Committee on Financial Services, $13,696,487; Committee on Government Reform, $19,614,435; Committee on House Administration, $8,527,057; Permanent Select Committee on Intelligence, $7,809,730; Committee on International Relations, $14,552,695; Committee on the Judiciary, $14,048,616; Committee on Resources, $13,509,424; Committee on Rules, $5,669,311; Committee on Science, $11,690,845; Committee on Small Business, $5,120,301; Committee on Standards of Official Conduct, $3,071,250; Committee on Transportation and Infrastructure, $16,461,893; Committee on Veterans' Affairs, $5,486,795; and Committee on Ways and Means, $16,136,288.

SEC. 2. FIRST SESSION LIMITATIONS.

(a) IN GENERAL.—Of the amount provided for in section 1 for each committee named in subsection (b), not more than the amount specified in such subsection shall be available for expenses incurred during the period beginning at noon on January 3, 2003, and ending immediately before noon on January 3, 2004.

(b) COMMITTEES AND AMOUNTS.—The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $5,084,900; Committee on Armed Services, $5,871,876; Committee on the Budget, $5,856,333; Committee on Education and the Workforce, $7,047,896; Committee on Energy and Commerce, $9,101,042; Committee on Financial Services, $6,601,085; Committee on Government Reform, $9,740,963; Committee on House Administration, $4,122,092; Permanent Select Committee on Intelligence, $3,780,487; Committee on International Relations, $6,993,645; Committee on the Judiciary, $6,957,554; Committee on Resources, $6,492,029; Committee on Rules, $2,797,898; Committee on Science, $5,711,401; Committee on Small Business, $2,535,261; Committee on Standards of Official Conduct, $1,527,825; Committee on Transportation and Infrastructure, $7,982,558; Committee on Veterans' Affairs, $2,703,328; and Committee on Ways and Means, $7,908,037.

SEC. 3. SECOND SESSION LIMITATIONS.

(a) IN GENERAL.—Of the amount provided for in section 1 for each committee named in subsection (b), not more than the amount specified in such subsection shall be available for expenses incurred during the period beginning at noon on January 3, 2004, and ending immediately before noon on January 3, 2005.

(b) COMMITTEES AND AMOUNTS.—The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $5,242,632; Committee on Armed Services, $6,059,481; Committee on the Budget, $6,013,239; Committee on Education and the Workforce, $7,625,475; Committee on Energy and Commerce, $9,521,097; Committee on Financial Services, $7,095,402; Committee on Government Reform, $9,873,472; Committee on House Administration, $4,404,965; Permanent Select Committee on Intelligence, $4,029,243; Committee on International Relations, $7,559,050; Committee on the Judiciary, $7,091,062; Committee on Resources, $7,017,395; Committee on Rules, $2,871,413; Committee on Science, $5,979,444; Committee on Small Business, $2,585,041; Committee on Standards of Official Conduct, $1,543,425; Committee on Transportation and Infrastructure, $8,479,334; Committee on Veterans' Affairs, $2,783,466; and Committee on Ways and Means, $8,228,251.

SEC. 4. VOUCHERS.

Payments under this resolution shall be made on vouchers authorized by the committee involved, signed by the chairman of such committee, and approved in the manner directed by the Committee on House Administration.

SEC. 5. REGULATIONS.

Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

SEC. 6. ADJUSTMENT AUTHORITY.

The Committee on House Administration shall have authority to make adjustments in amounts under section 1, if necessary to comply with an order of the President issued under section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 or to conform to any reduction in appropriations for the purposes of such section 1.

Mr. NEY (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from Ohio?

There was no objection.

MAKING IN ORDER AT ANY TIME CONSIDERATION OF HOUSE RESOLUTION 110, PROVIDING AMOUNTS FOR EXPENSES OF COMMITTEE ON HOMELAND SECURITY IN THE 108TH CONGRESS

Mr. NEY. Mr. Speaker, I ask unanimous consent that it shall be in order at any time without intervention of any point of order to consider House Resolution 110;

The resolution shall be considered as read for amendment;

The amendment recommended by the Committee on House Administration now printed in the resolution shall be considered as adopted;

The resolution, as amended, shall be debatable for 1 hour, equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration; and

The previous question shall be considered as ordered on the resolution, as amended, to final adoption without intervening motion.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Strike all after the resolved clause and insert the following:

Resolved,

SECTION 1. EXPENSES FOR THE SELECT COMMITTEE ON HOMELAND SECURITY FOR THE ONE HUNDRED EIGHTH CONGRESS.

With respect to the One Hundred Eighth Congress, there shall be paid out of the applicable

accounts of the House of Representatives, in accordance with this primary expense resolution, not more than $10,952,787 for the expenses (including the expenses of all staff salaries) of the Select Committee on Homeland Security.

SEC. 2. FIRST SESSION LIMITATION.

Of the amount provided for in section 1, not more than $5,366,866 shall be available for expenses incurred during the period beginning at noon on January 3, 2003, and ending immediately before noon on January 3, 2004.

SEC. 3. SECOND SESSION LIMITATION.

Of the amount provided for in section 1, not more than $5,585,921 shall be available for expenses incurred during the period beginning at noon on January 3, 2004, and ending immediately before noon on January 3, 2005.

SEC. 4. VOUCHERS.

Payments under this resolution shall be made on vouchers authorized by the Select Committee on Homeland Security, signed by the chairman of such Committee, and approved in the manner directed by the Committee on House Administration.

SEC. 5. REGULATIONS.

Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

SEC. 6. ADJUSTMENT AUTHORITY.

The Committee on House Administration shall have authority to make adjustments in the amount under section 1, if necessary to comply with an order of the President issued under section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 or to conform to any reduction in appropriations for the purposes of such section 1.

Mr. NEY (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from Ohio?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 684

Ms. MAJETTE. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 684.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Georgia?

There was no objection.

PERSONAL EXPLANATION

Ms. JACKSON-LEE of Texas. Mr. Speaker, yesterday on May 7, 2003, I had to miss several rollcall votes because of official business in my hometown of Houston, Texas, attending the honoring of Earl Loggins and the opening of a very important service in my constituency. If I had been present, I would have voted ''aye'' on rollcall vote 167, H.R. 766, the nanotechnology bill; I would have voted ''aye'' on rollcall vote 168, H. Con. Res. 53; and I would have voted ''aye'' on rollcall vote 169, H.R. 866.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 3 o'clock and 35 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1738

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. CULBERSON) at 5 o'clock and 38 minutes p.m.

PROVIDING EXPENSES OF CERTAIN COMMITTEES OF THE HOUSE OF REPRESENTATIVES IN 108TH CONGRESS

Mr. NEY. Mr. Speaker, pursuant to the order of the House of today, I call up the resolution (H. Res. 148) providing for the expenses of certain committees of the House of Representatives in the One Hundred Eighth Congress, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore (Mr. CULBERSON). Pursuant to the order of the House today, the resolution is considered read for amendment.

The text of House Resolution 148 is as follows:

H. RES. 148

Resolved,

SECTION 1. COMMITTEE EXPENSES FOR THE ONE HUNDRED EIGHTH CONGRESS.

(a) IN GENERAL.—With respect to the One Hundred Eighth Congress, there shall be paid out of the applicable accounts of the House of Representatives, in accordance with this primary expense resolution, not more than the amount specified in subsection (b) for the expenses (including the expenses of all staff salaries) of each committee named in subsection.

(b) COMMITTEES AND AMOUNTS.—The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $10,623,640; Committee on Armed Services, $12,377,680; Committee on the Budget, $11,869,572; Committee on Education and the Workforce, $14,922,183; Committee on Energy and Commerce, $19,117,623; Committee on Financial Services, $16,995,487; Committee on Government Reform, $20,400,000; Committee on Homeland Security, $11,028,787; Committee on House Administration, $10,374,974; Permanent Select Committee on Intelligence, $7,809,730; Committee on International Relations, $16,037,995; Committee on the Judiciary, $17,248,067; Committee on Resources, $14,910,527; Committee on Rules, $5,669,311; Committee on Science, $12,301,690; Committee on Small Business, $6,372,008; Committee on Standards of Official Conduct, $3,443,150; Committee on Transportation and Infrastructure, $17,682,505; Committee on Veterans' Affairs, $6,776,617; and Committee on Ways and Means, $16,521,319.

SEC. 2. FIRST SESSION LIMITATIONS.

(a) IN GENERAL.—Of the amount provided for in section 1 for each committee named in subsection (b), not more than the amount specified in such subsection shall be available for expenses incurred during the period beginning at noon on January 3, 2003, and ending immediately before noon on January 3, 2004.

(b) COMMITTEES AND AMOUNTS.—The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $5,292,225; Committee on Armed Services, $5,943,675; Committee on the Budget, $5,894,018; Committee on Education and the Workforce, $7,398,237; Committee on Energy and Commerce, $9,385,902; Committee on Financial Services, $8,144,280; Committee on Government Reform, $10,000,000; Committee on Homeland Security, $5,657,656; Committee on House Administration, $5,028,573; Permanent Select Committee on Intelligence, $3,773,567; Committee on International Relations, $7,693,249; Committee on the Judiciary, $8,422,720; Committee on Resources, $7,360,564; Committee on Rules, $2,816,332; Committee on Science, $6,072,465; Committee on Small Business, $3,080,591; Committee on Standards of Official Conduct, $1,636,825; Committee on Transportation and Infrastructure, $8,722,428; Committee on Veterans' Affairs, $3,225,344; and Committee on Ways and Means, $8,063,151.

SEC. 3. SECOND SESSION LIMITATIONS.

(a) IN GENERAL.—Of the amount provided for in section 1 for each committee named in subsection (b), not more than the amount specified in such subsection shall be available for expenses incurred during the period beginning at noon on January 3, 2004, and ending immediately before noon on January 3, 2005.

(b) COMMITTEES AND AMOUNTS.—The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $5,331,415; Committee on Armed Services, $6,434,005; Committee on the Budget, $5,975,554; Committee on Education and the Workforce, $7,523,946; Committee on Energy and Commerce, $9,731,721; Committee on Financial Services, $8,851,207; Committee on Government Reform, $10,400,000; Committee on Homeland Security, $5,371,131; Committee on House Administration, $5,346,401; Permanent Select Committee on Intelligence, $4,036,163; Committee on International Relations, $8,344,746; Committee on the Judiciary, $8,825,346; Committee on Resources, $7,549,963; Committee on Rules, $2,852,979; Committee on Science, $6,229,225; Committee on Small Business, $3,291,417; Committee on Standards of Official Conduct, $1,806,325; Committee on Transportation and Infrastructure, $8,960,077; Committee on Veterans' Affairs, $3,551,273; and Committee on Ways and Means, $8,458,168.

SEC. 4. VOUCHERS.

Payments under this resolution shall be made on vouchers authorized by the committee involved, signed by the chairman of such committee, and approved in the manner directed by the Committee on House Administration.

SEC. 5. REGULATIONS.

Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

SEC. 6. ADJUSTMENT AUTHORITY.

The Committee on House Administration shall have authority to make adjustments in amounts under section 1, if necessary to comply with an order of the President issued under section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 or to conform to any reduction in appropriations for the purposes of such section 1.

The SPEAKER pro tempore. The amendment printed in the resolution, modified by the amendment reported by the Clerk in conjunction with that previous order, is adopted.

The text of House Resolution 148, as amended, is as follows:

Resolved,

SECTION 1. COMMITTEE EXPENSES FOR THE ONE HUNDRED EIGHTH CONGRESS.

(a) IN GENERAL.—With respect to the One Hundred Eighth Congress, there shall be paid out of the applicable accounts of the House of Representatives, in accordance with this primary expense resolution, not more than the amount specified in subsection (b) for the expenses (including the expenses of all staff salaries) of each committee named in such subsection.

(b) COMMITTEES AND AMOUNTS.—The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $10,327,531; Committee on Armed Services, $11,931,357; Committee on the Budget, $11,869,572; Committee on Education and the Workforce, $14,673,371; Committee on Energy and Commerce, $18,622,138; Committee on Financial Services, $13,696,487; Committee on Government Reform, $19,614,435; Committee on House Administration, $8,527,057; Permanent Select Committee on Intelligence, $7,809,730; Committee on International Relations, $14,552,695; Committee on the Judiciary, $14,048,616; Committee on Resources, $13,509,424; Committee on Rules, $5,669,311; Committee on Science, $11,690,845; Committee on Small Business, $5,120,301; Committee on Standards of Official Conduct, $3,071,250; Committee on Transportation and Infrastructure, $16,461,893; Committee on Veterans' Affairs, $5,486,795; and Committee on Ways and Means, $15,976,288.

SEC. 2. FIRST SESSION LIMITATIONS.

(a) IN GENERAL.—Of the amount provided for in section 1 for each committee named in subsection (b), not more than the amount specified in such subsection shall be available for expenses incurred during the period beginning at noon on January 3, 2003, and ending immediately before noon on January 3, 2004.

(b) COMMITTEES AND AMOUNTS.—The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $5,084,900; Committee on Armed Services, $5,871,876; Committee on the Budget, $5,856,333; Committee on Education and the Workforce, $7,047,896; Committee on Energy and Commerce, $9,101,042; Committee on Financial Services, $6,601,085; Committee on Government Reform, $9,740,963; Committee on House Administration, $4,122,092; Permanent Select Committee on Intelligence, $3,780,487; Committee on International Relations, $6,993,645; Committee on the Judiciary, $6,957,554; Committee on Resources, $6,492,029; Committee on Rules, $2,797,898; Committee on Science, $5,711,401; Committee on Small Business, $2,535,261; Committee on Standards of Official Conduct, $1,527,825; Committee on Transportation and Infrastructure, $7,982,558; Committee on Veterans' Affairs, $2,703,328; and Committee on Ways and Means, $7,828,037.

SEC. 3. SECOND SESSION LIMITATIONS.

(a) IN GENERAL.—Of the amount provided for in section 1 for each committee named in subsection (b), not more than the amount specified in such subsection shall be available for expenses incurred during the period beginning at noon on January 3, 2004, and ending immediately before noon on January 3, 2005.

(b) COMMITTEES AND AMOUNTS.—The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $5,242,632; Committee on Armed Services, $6,059,481; Committee on the Budget, $6,013,239; Committee on Education and the Workforce, $7,625,475; Committee on Energy and Commerce, $9,521,097; Committee on Financial Services, $7,095,402; Committee on Government Reform, $9,873,472; Committee on House Administration, $4,404,965; Permanent Select Committee on Intelligence, $4,029,243; Committee on International Relations, $7,559,050; Committee on the Judiciary, $7,091,062; Committee on Resources, $7,017,395; Committee on Rules, $2,871,413; Committee on Science, $5,979,444; Committee on Small Business, $2,585,041; Committee on Standards of Official Conduct, $1,543,425; Committee on Transportation and Infrastructure, $8,479,334; Committee on Veterans' Affairs, $2,783,466; and Committee on Ways and Means, $8,148,251.

SEC. 4. VOUCHERS.

Payments under this resolution shall be made on vouchers authorized by the committee involved, signed by the chairman of such committee, and approved in the manner directed by the Committee on House Administration.

SEC. 5. REGULATIONS.

Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

SEC. 6. ADJUSTMENT AUTHORITY.

The Committee on House Administration shall have authority to make adjustments in amounts under section 1, if necessary to comply with an order of the President issued under section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 or to conform to any reduction in appropriations for the purposes of such section 1.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. NEY) and the gentleman from Connecticut (Mr. LARSON) each will control 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. NEY).

Mr. NEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we are here today to consider H. Res. 148, an omnibus funding resolution providing for the expenses of certain committees of the United States House of Representatives in the 108th Congress.

In February of this year, the Chair, myself, and the gentleman from Connecticut (Mr. LARSON), ranking member, reviewed what was presented to us by each Chair and ranking member of each committee. They presented a budget request to the Committee on House Administration and introduced individual resolutions to support their funding requests. This resolution, H. Res. 148, the omnibus primary expense resolution, combines all of the individual resolutions that came from those committees into one bill, excluding the Select Committee on Homeland Security.

I am pleased to put before the House a bipartisan resolution that can be supported by a majority of Members on both sides of the aisle. I feel that both chairmen and ranking members will agree that this carefully crafted agreement will provide sufficient funding for them to carry out the duties and responsibilities for which they are charged.

As we all know, the Select Committee on Homeland Security was created at the beginning of this Congress. That committee will provide an important oversight function, overseeing the newly created Department of Homeland Security and ensuring that the combined agencies are doing the job we all expect of them with regards to protecting our homeland and its security. However, due to the fact that the Homeland Security Budget represents a special situation with regard to this funding cycle, we have not included them in this omnibus funding resolution, but they will instead be considered separately. During this cycle committees requested from the Committee on House Administration a total of $252.5 million in spending. This is $49 million more than what was authorized in the 107th Congress and represents a 24.1 percent requested increase.

In removing Homeland Security from the equation, the request by committees total $241.5 million, which is a $37.9 million increase over the 107th authorized levels and an 18.6 percent increase. This resolution reduces the amount requested by committees by $18.6 million, or a 7.7 percent decrease.

House Resolution 148, as amended, provides for expenses of all committees other than Homeland Security and authorizes $222.8 million, a 9.4 percent increase, and that is 9.4 percent over a 2-year period. This is a $19.3 million increase over the 107th congressional authorized levels.

It should be noted that the 108th Congress funding level of $222.8 million in this resolution is still lower than the funding levels in the 103rd Congress in both constant and actual dollars. The mark for the 103rd Congress was $223.3 million and when adjusted for inflation amounts to $284.7 million in 2003 dollars. This means that while 10 years have lapsed since the beginning of the 103rd Congress, our funding levels are just now reaching the levels authorized in that Congress on a real dollar business basis because of the drastic costs instituted in the 104th Congress. On a constant dollar basis, we are significantly under the adjusted amount by approximately $62 million.

The reason I mention this, Mr. Speaker, is it shows, I think, prudent history on the part of the House for the committees to continue to do their job. Yet if we look back at the 103rd Congress, we are living I think within a very reasonable presented budget. I am proud of the numbers we are putting forward with this resolution. As I stated earlier, I feel that most, not all, but most Members will be able to widely support this measure.

This resolution also carries forward a goal that we have reached in the 107th Congress whereby committees allocated at least one third of their resources to the minority. Since the 104th Congress, we have strived to reach the goal of dividing committee resources on a two-thirds/one-third basis between the majority and minority of each committee. I am proud to say that committee chairmen have worked with their respective ranking members and produced agreements that provide for a two-thirds/one-third split of resources. And it is important to note that if not for the leadership of Speaker HASTERT in cooperation with the gentleman from Connecticut (Mr. LARSON), our ranking member, this goal absolutely would never have been reached nor would we have been able to continue to ensure the fair division of the resources in this resolution.

Also I want to thank both the gentleman from California (Chairman THOMAS) and the gentleman from

Maryland (Mr. HOYER), minority whip, for their work on this issue while in their previous assignments in setting this into motion.

When the gentleman from Maryland (Mr. HOYER) was the ranking member of the committee and I became the Chair 2 years ago, we decided this was going to absolutely finally be completed, and we did that. And when the gentleman from Connecticut (Mr. LARSON) became our ranking member, which we are so happy to have him in that position of leadership, he was insistent with the tenacity that I think his ranking members need to be aware of to make sure that goal that was attained should be kept and would be kept. So this is an argument that went right off the table because we completely agree with the gentleman from Connecticut (Mr. LARSON) that that is the only fair way to do it, and I hope this sets a precedent that after we are not in these positions it continues to be two-thirds/one-third split always.

I also want to thank the chairmen of each committee and their ranking member on their cooperation with each other on this matter.

In addition to the funding issues that are part of this process, the committee identified two special categories of requests that we feel need to be addressed separately from the regular funding process. I believe it is important to ensure that we put forth the most accurate reflection of the amounts we are providing to committees and those numbers should not be distorted and inflated with other special needs.

Here I refer to requests to upgrade committee hearings rooms and requests for disaster recovery equipment. In the 107th Congress, we removed hearing room upgrade requests from the normal committee funding process, as those costs would have severely distorted the actual amounts it cost to run each committee.

□ 1745

It was also felt that the hearing room served an institutional function and, therefore, upgrades should be paid for out of a centralized House fund where appropriate.

Hearing rooms were in desperate need of refurbishing. Most have not seen an upgrade in decades. Having removed the upgrades from the committee funding process, we were able to make significant progress towards bringing our hearing rooms up to 21st century standards. While we have not finished all of our main and subcommittee hearing rooms as yet, we are well on our way to making the proceedings of committees more accessible and user-friendly to the general public.

In the 104th Congress when the switch was flipped and Thomas became online and brought the Congress to the world and the world was able to view Congress, we then had to embark on the technological upgrades. I mention this because it would be very, very unfair for the first time really in our Nation's history to embark on these technical upgrades, it would be unrealistic to ask these committees to be able to do their function and to pay for this.

The beauty of this Congress as this continues, and we are going to work with our ranking member, the gentleman from Connecticut (Mr. LARSON), and all the other members of the committee, the beauty of it is if you cannot get to Washington, D.C., you do not have to be shut out of the process. The public will be able to watch their Congress and know what the Congress is doing; and I think this is a very, very laudable, good goal that we have to, again, encourage the upgrades to continue.

On a different, but related, note, the 108th Congress has seen a substantial, but understandable, amount of requests from committees with regard to disaster recovery equipment directly related to the events of September 11 and the subsequent biological attacks directed at this Capitol complex with the anthrax brought into our complex.

Like the hearing room upgrades, the protection of committee data was thought to serve an institutional function. Therefore, the cost of providing the mechanism that gives committees an alternative off-site storage site for data in the event of a catastrophic event should be borne by the House, and, again, not by committees individually.

Further, providing an enterprise solution for off-site data storage ensures that a common standard will be applied for the equipment purchased and used to provide back-up storage for committee data. The committee will continue to work with the proper entities in the House and consult with other committees to ensure that a secure, standard enterprise system is instituted that will satisfy the needs of committees.

In conclusion, I again would like to thank from my end of it the Speaker for his leadership, and also the Democratic leader, the gentlewoman from California (Ms. PELOSI). I would like to thank the ranking member, the gentleman from Connecticut (Mr. LARSON), for his efforts in working with the ranking members and with the majority in order to assist us in fashioning an agreeable bipartisan resolution that could be supported by minority Members on the floor and majority Members. I appreciate the patience and cooperation, and I will stress patience, that the gentleman from Connecticut (Mr. LARSON) has shown. Without that, we would not be here today on the floor with this resolution.

Thanks also should go out to the chairmen of the committees and the ranking members who submitted, for the most part, very fair and reasonable budget requests.

I would also like to thank the staff of the majority and minority on the committee, both sides, who have worked diligently to make sure this institution can continue and can service the constituents across this Nation, as the committees do and should.

I also want to note in closing that there has been a spirit on this committee, and it has been noted in the media, a spirit in this committee that was in the last Congress and has continued with the gentleman from Connecticut (Mr. LARSON) and also the minority members being able to express their view, push their point of view, and fight the good fight for what they believe in and for us to be able to also weigh in on the opinions. But at the end of the day, we realized that working together for the good of the committees and this institution is something that is working for the people of the Nation.

So I am very proud of the committee members, and I am very proud of our ranking member, his integrity and diligence, due diligence, for not only the ranking members, but for the good of the whole of the committees.

Mr. Speaker, I ask that Members support this carefully crafted bipartisan resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. LARSON of Connecticut. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me begin by expressing my support for House Resolution 148, which provides an overall average of a 9.4 percent increase in funding for the 19 committees under the jurisdiction of the Committee on House Administration; and I want to thank, again, the chairman of this committee for his outstanding work and effort. This is, after all, an extraordinarily important action that we are taking today. This funds the work of our committees, so in essence it funds the work of the people of this country.

The process through which this resolution was developed and the majority's commitment to ensuring equitable treatment for the minority indicates the healthy respect for the work of this institution and the vital contributions that both sides of the aisle make in enacting and overseeing public policy.

The committee chairman, the gentleman from Ohio (Mr. NEY), and his staff must be commended for their commitment to equity and bipartisanship.

I also want to express my gratitude to my leader, the gentlewoman from California (Ms. PELOSI), and her staff. Her leadership was critical to the progression towards fairness in the allocation of committee resources between the majority and the minority. As any outstanding leader would, the gentlewoman from California (Ms. PELOSI) early on chose to focus on the legitimate institutional needs of the House committee system. I thank her for that; and I thank her for her vision, her clarity, and her focus on the continued need for diversity in our committees, technological enhancement, and an

outreach to Members, so that they are able to perform their tasks to their utmost ability. She reached out to the gentleman from Illinois (Speaker HASTERT) and to his staff to make sure that the committee funding for the House of Representatives did not get caught up in the same partisan bickering that previous Congresses had.

Without question, her leadership and decision to put politics aside has made my job much easier. I commend the gentlewoman from California (Ms. PELOSI) and the gentleman from Illinois (Speaker HASTERT) for working in conjunction to aid and abet the cause of this great institution of ours.

Mr. Speaker, I think all of our colleagues will agree that the proposed 9.4 percent increase in committee funding from the 107th Congress level is fiscally responsible and in fact quite thrifty, especially when three factors are considered: the committee workload, the committee staff compensation, and the mission-critical technological upgrades that the chairman so adequately addressed in his remarks.

Let me say as a person who is enjoying the experience of serving on this committee for the first time, we had the chairmen come before us and enunciate their specific concerns about the workload that they now possess, their desire to reach out beyond the Beltway, their specific concern as it relates to events that have transpired since September 11, and the new kind of pressure that so many of our committees find themselves under with expanding jurisdictions and issues that heretofore were not part of the day-to-day business of this institution. The Committee on Armed Services, the Committee on Veterans Affairs, and the Committee on International Relations all were particularly impacted in this past legislative session, so I am pleased that we were able to provide adequate funding for those specific committees.

Congress will confront many issues, including the heightened policing needed for the Nation's accounting, financial and pension systems, which will impose new demands on the Committee on Ways and Means, the Committee on Financial Services, the Committee on Education and the Workforce, and the Committee on Energy and Commerce, as well the investigation of the Space Shuttle *Columbia* tragedy, all important issues that fall squarely on the shoulders of our various committees impacted by this decision.

As to the committee staff itself, again I want to thank the various Chairs who came before our committee, to a person all concerned that there be equity. Since COLAs are already in place for the United States Senate and the executive branch, it is increasingly important that staffers who work for our House committees get the same kind of just reward and equity they richly deserve. They carry out the great work of our various committees here. The work this institution's committee staffs conduct on behalf of the American people is no less important than the work conducted by their peers in the Senate and the executive branch, and their monthly paychecks must reflect that.

Again, I thank the chairmen of the various committees who came forward and made that one of their top concerns as well.

As the chairman has pointed out, mission-critical technology upgrades equally are important as we continue to reach out to our constituents to make sure that they receive the most up-to-date data in a timely fashion. This can be a costly, but essential, activity; and we expect that a separate vehicle will be used to meet some of the essential institutional needs, but many technological needs cannot wait for later action. Again, I appreciate the great efforts that were put forward in the committee.

Most of all, I would like to focus on the great equity that this chairman has brought to the committee. I am a new ranking member to this committee, but I am well aware of its past history. The gentleman from Michigan (Mr. EHLERS) reminded me in subcommittee that it was not always the practice of the Democratic majority to provide the same kind of equity that the gentleman from Ohio (Mr. NEY) has pursued and the gentleman from Maryland (Mr. HOYER) along with him in the previous session, and I am proud to join in this session. Repeatedly and with the support of the Democratic leader, the gentlewoman from California (Ms. PELOSI), and the gentleman from Illinois (Speaker HASTERT), the issue of two-thirds/one-third funding has been uppermost in my concern and those of the Members of the minority, and also the way that those dollars are handled equitably within the committee process.

The gentleman from Ohio (Mr. NEY) has continually stepped forward, not only in words, but in deeds, to insist upon that kind of equity within our committees, and I thank him for that. It has been especially important to our Committee on Small Business. The gentlewoman from New York (Ms. VELÁZQUEZ) has made this issue important, and I thank the chairman for stepping forward and aiding and abetting her cause and the concerns of that committee.

Lastly, I would like to conclude by saying that I do think that it is important that when you are working in a bipartisan nature like this that you have an esprit de corps.

I want to thank my members of the minority on our committee, the gentleman from Texas (Mr. BRADY) and the gentlewoman from California (Ms. MILLENDER-MCDONALD), who have submitted remarks for the RECORD. Both bring great value to this committee process, and especially in carrying out the mission of our leader, the gentlewoman from California (Ms. PELOSI).

Mr. Speaker, let me begin by expressing my support for House Resolution 148, which provides for an overall average 9.4 percent increase in funding for the 19 committees under the jurisdiction of the Committee on House Administration from the level set in the 107th Congress.

The process through which this resolution was developed, and the Majority's commitment to ensuring equitable treatment for the Minority, indicate a healthy respect for the work of this institution and the vital contributions that both sides of the aisle make in enacting and overseeing public policy. The Committee Chairman, Rep. BOB NEY, and his staff must be commended for their commitment to comity and bipartisanship.

I also want to express my gratitude to my Leader, NANCY PELOSI, and her staff. Her leadership was critical to the progress toward fairness in the allocation of committee resources between the Majority and Minority which this resolution represents. As any outstanding leader would, Leader PELOSI early-on chose to focus on the legitimate institutional needs of the House committee system. She reached out to Speaker HASTERT and his staff to make sure that the committee funding work of House Administration did not get caught up in the same partisan bickering that had plagued committee funding in previous Congresses. Without question, her leadership and decision to put politics aside made my job much, much easier. I commend Leader PELOSI and Speaker HASTERT.

I think my colleagues will agree that the proposed 9.4 percent increase in committee funding from the 107th Congress level is a fiscally-responsible and in fact quite thrifty, especially when three key factors are considered: Factor #1: Increased committee workload: September 11, 2001 cast into sharp focus the need for the U.S. House of Representatives to examine the gaps and deficiencies in this nation's military and security apparatus. While I expect the new House Select Committee on Homeland Security to lead the charge in this area in the 108th Congress, virtually no House committee has been spared responsibilities because the issue of security extends to the jurisdiction of virtually every House committee. In addition, the recent military action in Iraq, combined with the immense diplomatic and reconstruction challenges associated with its successful resolution, will impose new oversight and legislative demands on several House committees, particularly the Committees on Armed Services, Veterans Affairs, and International Relations.

Other significant committee duties that were never contemplated at the beginning of the 107th Congress but will confront the committee system in 108th Congress include heightened policing of the nation's accounting, financial, and pension systems, which will impose new demands on the Committees on Ways & Means, Financial Services, Education & the Workforce, and Energy & Commerce, and investigating the Space Shuttle Columbia tragedy, a critical mission that will fall largely to the Science Committee.

Factor #2 Committee staff compensation/cost-of-living adjustments. I was greatly encouraged that virtually all the committee chairs sought cost-of-living adjustments for their committee staff personnel on par with COLAs already in place in the U.S. Senate, the Executive Branch, House MRA's and House support offices like the Chief Administrative Office. If House committees are to attract and retain the

best and brightest staffers the market has to offer, committees must properly compensate them. The work this institution's committee staff conduct on behalf of the American people is no less important than the work conducted by their peers in the Senate and Executive Branch. Their monthly paychecks must reflect that.

Factor #3 Mission-critical technology upgrades: Virtually every committee chairman and his ranking Minority member told us that they confront the immediate need of implementing disaster-recovery programs in the event that their committee is unable to conduct regular business in its House office space. Central to meeting this need is developing off-campus computer systems to store mission-critical data—a costly but essential activity. We expect that a separate vehicle will be used to meet this essential institutional need. But many technology needs cannot wait for later action.

I am pleased to report that in most instances, the 9.4 percent increase accounts for cost-of-living increases since the 107th funding resolution.

Managed properly by committee chairmen and their ranking minority members, I am confident that the proposed average 9.4 percent increase will provide most House committees adequate resources over the next two years to match the 4.1 percent pay increase that President Bush has provided to federal employees in the Executive Branch under the Federal Pay Comparability Act of 1990, a decision that the U.S. Senate quickly followed with respect to its committee staff compensation policies and that House Committees would be wise to follow.

It is my view that the proposed 9.4 percent increase is modest. One question is whether the proposed 9.4 percent increase is enough to permit the Chairmen and their ranking minority members to carry out the ambitious agendas they described to the Committee of House Administration in March, perform crucial oversight and legislative responsibilities as they relate to the post-September 11 environment, and respond to exigencies that no amount of planning can predict.

Mitigating my concern about the adequacy of the proposed 9.4 percent increase is the Majority's oft-repeated commitment to the ''⅔–⅓ principle.''

This common-sense principle will provide ranking minority members and the Minority committee staffs a minimum of ⅓ of the total funds, ⅓ of the total staff positions, and the discretion to expend those funds within appropriate administrative guidelines, with no unusual constraints on the Minority.

Because the principle sets only a floor, not a ceiling, committee chairmen can always grant additional spending and hiring authority to their ranking minority members. It is my fervent hope that chairmen will be favorably disposed to grant such authority as circumstances may require.

Were this a previous era in committee funding, I would be concerned that in cases where committee resources are just enough to cover basic committee needs, chairmen might be inclined to deprive the Minority of ⅓ of the resources. Fortunately, it is not a previous era. In two days of committee funding hearings in March, I specifically asked each chairman if he intended to honor this important principle in the 108th Congress. The answer, to my satisfaction, was ''yes.''

In the spirit of ''trust but verify,'' I will monitor closely the distribution of resources to the ranking minority members of each committee during the 108th Congress. I expect no problems, however. Practiced faithfully, ⅓–⅔ principle will help ensure that the House committee operate in as non-partisan a manner as possible. The American people deserve nothing less.

I thank the distinguished Chairman for bringing House Resolution 148 to the floor.

Mr. Speaker, I reserve the balance of my time.

Mr. NEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I do not have additional speakers; but I do want to say one thing, too, in closing from my end of it. I thanked our Speaker, the gentleman from Illinois (Mr. HASTERT), but I also want to thank Scott Palmer and Ted Van Der Meid of the Speaker's staff, who have helped us throughout this process. I think it is important to recognize them.

Mr. Speaker, I again stress that we have tremendous committees that have important obligations, and that is why this budget is important for our Members to support.

Mr. Speaker, I reserve the balance of my time.

Mr. LARSON of Connecticut. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would be remiss as well if I did not thank my staff personally for the hard work that they have put forward in putting these deliberations together. I would also like to acknowledge Bill Cable, who was a valued member of this staff who is moving on, as well, and who we had a small party for today. His help in assisting George Shevlin was invaluable.

Mr. Speaker, I reserve the balance of my time.

□ 1800

Mr. NEY. Mr. Speaker, I yield myself such time as I may consume.

One thing I wanted to express, I do appreciate, and the gentleman from Maryland (Mr. HOYER) is here, but I do appreciate that the gentleman from Maryland and the gentleman from Connecticut both indicated if, in fact, the body would change here in the numbers of who controls the Chamber they in fact will keep this ratio. I just want to add though in all sincerity on behalf of the majority, let us not put that to the test.

Mr. HOYER. Mr. Speaker, will the gentleman yield?

Mr. NEY. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Speaker, I felt compelled to come to the floor because I wanted to thank the gentlemen for the very kind comments that they had to say about my working on the Committee on House Administration. I know the distinguished gentleman from Connecticut (Mr. LARSON), the former President of the Connecticut Senate, and I both had that honor having been selected by our colleagues to head our State Senates. He is more than a worthy successor and I am very proud of the work that he is doing on this committee and I want to congratulate him.

The Committee on House Administration is uniquely an institutional committee that tries to provide the resources to Members, to staff so that we can serve our constituents better and so that staff will have an environment and the ability to serve well. I congratulate the gentleman from Connecticut for his work.

I know that the gentleman from Connecticut, like myself, has found the gentleman from Ohio (Mr. NEY), the chairman of the Committee on House Administration, to be an extraordinarily positive leader in this House and one who wants to do things and do things right and does not care about the politics, does not care about partisanship, is extraordinarily easy to work with, and I want to again say how much I enjoyed working with him.

If there is one downside to my ''promotion'' to the position of Democratic whip, it was that I left the Committee on House Administration on which I had served for I think approximately 14 years. And serving with the gentleman from Ohio (Mr. NEY), when I look back on the congressional career, whenever it ends, I want the gentleman to know when I look back on my career, one of the highlights will be the opportunity to serve with the gentleman from Ohio, to serve this institution and, indeed, in the cosponsorship of the Help America Vote Act, to serve our country as well.

I thank the gentleman for his kind words but, more than that, I want to thank him for his service to this institution and to this country. He does a great job. I know that the gentleman will enjoy and is enjoying working with the gentleman from Connecticut (Mr. LARSON), who is also, like the gentleman from Ohio and like me, committed to making sure that we operate in a way that will bring credit not to Republicans, not to Democrats, but to the House of Representatives and facilitate the work on behalf of the American people. I thank the gentleman from Ohio for his kind words and I thank the gentleman from Connecticut as well.

Mr. NEY. Mr. Speaker, reclaiming my time, I want to thank the gentleman. Prior to his arrival I had praised the gentleman from Maryland (Mr. HOYER), the minority whip, but I also want to mention something, and I have said this a lot of times. We have a homeland security bill coming up. It was a pleasure having the relationship with the gentleman from Maryland (Mr. HOYER) on that committee and members on that side of the aisle making the institution work. But during 9/11, when we had very, very tough decisions to make in this body that involved the Speaker's Office and at that time Leader GEPHARDT, and the gentleman from Maryland (Mr. HOYER) and myself and members of that committee, there was not one single time

that the gentleman from Maryland (Mr. HOYER) ever, ever injected one ounce of politics in tough decisions which an individual could have done, and he never did it, and neither did the members of that committee on either side of the aisle. They hung together with what I call our Capitol family. We appreciate that. I will never forget it. We also hated to lose the gentleman, but we like the gentleman from Connecticut, too.

Mr. Speaker, I yield back the balance of my time.

Mr. LARSON of Connecticut. Mr. Speaker, I yield myself such time as I may consume.

I would just like to add that in the presence of a great leader like the gentleman from Maryland (Mr. HOYER) and, as he indicated, also a former President of the Maryland legislative Senate, what an outstanding job that he has done in this committee. It is always great when one is able to stand on the shoulders of those who came before you, and the work that he has done for this committee has set a very important and exemplary example of how we should conduct ourselves here on the floor and in the committee. On behalf of all of those committee members and the committee staff who especially appreciate the gentleman's commitment to the one-third/two-thirds ratio, we extend our great thanks, love and devotion. In a word, the gentleman is a class act, as is the chairman, the gentleman from Ohio (Mr. NEY), and as we continue this love fest here on the floor of the House of Representatives.

Mr. Speaker, we have no further speakers on our side, and I yield back the balance of my time.

Ms. MILLENDER-McDONALD. Mr. Speaker, Chairman NEY and Ranking Member LARSON, I am pleased to offer my support today in favor of H. Res. 148 to fund committees of the House of Representatives during the 108th Congress.

As the Committee on House Administration moves forward with its mission of overseeing the functions of the House, I want to make sure that as opportunities arise for companies to do business with the House, African American, Women and other minority-owned firms are included in the awarding of contracts. With the construction of the Visitors Center offering up to $100 million in contracts for Sequence 1, and $125 million in contracts to be awarded for Sequence 2, it is imperative that African American, Women and minority owned businesses have as much opportunity to submit and win bids as do majority-owned firms. Along these lines, I sent a letter to the Architect of the Capitol Alan Hantman on April 16 stating my interest in being informed regarding the status of the House's outreach efforts to include eligible women and minority-owned firms in ongoing construction projects.

As of 2001, we know that according to the Small Business Administration, 259,143 contracts totaling $15.6 billion were awarded to small disadvantaged firms nationwide. Overall, small disadvantaged businesses won 7.12 percent of contracts awarded across the country in 2001 according to the Congressional Research Service. Given this information, we must do all we can to ensure that minority-owned firms, which frequently come under the heading of small disadvantaged businesses are able to bid on and win contracts awarded by the House. I have a keen interest in this matter, given that my home State of California is one of four states across the country accounting for 35 percent of all businesses owned by African Americans as documented by the U.S. Census Bureau. Right here, the District of Columbia is home to the nation's highest percentage of African American-owned firms at 24 percent, yet only 2.5 percent of the District's business receipts come from these companies as reported by the U.S. Census. Further, the State of Maryland ranks second with 12 percent of the country's African American-owned businesses which generate 1.4 percent of Maryland's business tax receipts. It is clear from these numbers that as Members of the House, we can do more to assure African American, Women and other minority-owned firms greater access to contracts under our jurisdiction.

I wholeheartedly support the bipartisan nature of the funding resolution put forth by this committee, and I applaud the Chairman and Ranking Member as they continue to make efforts to make contracting opportunities controlled by the House more available to minority business owners.

The SPEAKER pro tempore (Mr. CULBERSON). All time for debate has expired.

Pursuant to the order of the House of today, the previous question is ordered on the resolution, as amended.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on House Resolution 148.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PROVIDING AMOUNTS FOR THE EXPENSES OF THE COMMITTEE ON HOMELAND SECURITY IN THE ONE HUNDRED EIGHTH CONGRESS

Mr. NEY. Mr. Speaker, pursuant to the order of the House of today, I call up the resolution (H. Res. 110) providing amounts for the expenses of the Committee on Homeland Security in the One Hundred Eighth Congress, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Pursuant to the order of the House of today, the resolution is considered read for amendment.

The text of House Resolution 110 is as follows:

H. RES. 110

Resolved,

SECTION 1. AMOUNTS FOR COMMITTEE EXPENSES.

For the expenses of the Committee on Homeland Security (hereafter in this resolution referred to as the ''Committee''), including the expenses of all staff salaries, there shall be paid, out of the applicable accounts of the House of Representatives for committee salaries and expenses, not more than $11,028,787 for the One Hundred Eighth Congress.

SEC. 2. SESSION LIMITATIONS.

Of the amount specified in section 1—

(1) not more than $5,657,656 shall be available for expenses incurred during the period beginning at noon on January 3, 2003, and ending immediately before noon on January 3, 2004; and

(2) not more than $5,371,131 shall be available for expenses incurred during the period beginning at noon on January 3, 2004, and ending immediately before noon on January 3, 2005.

SEC. 3. VOUCHERS.

Payments under this resolution shall be made on vouchers authorized by the Committee, signed by the Chairman of the Committee, and approved in the manner directed by the Committee on House Administration.

SEC. 4. REGULATIONS.

Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

The SPEAKER pro tempore. The amendment printed in the resolution is adopted.

The text of House Resolution 110, as amended, is as follows:

Resolved,

SECTION 1. EXPENSES FOR THE SELECT COMMITTEE ON HOMELAND SECURITY FOR THE ONE HUNDRED EIGHTH CONGRESS.

With respect to the One Hundred Eighth Congress, there shall be paid out of the applicable accounts of the House of Representatives, in accordance with this primary expense resolution, not more than $10,952,787 for the expenses (including the expenses of all staff salaries) of the Select Committee on Homeland Security.

SEC. 2. FIRST SESSION LIMITATION.

Of the amount provided for in section 1, not more than $5,366,866 shall be available for expenses incurred during the period beginning at noon on January 3, 2003, and ending immediately before noon on January 3, 2004.

SEC. 3. SECOND SESSION LIMITATION.

Of the amount provided for in section 1, not more than $5,585,921 shall be available for expenses incurred during the period beginning at noon on January 3, 2004, and ending immediately before noon on January 3, 2005.

SEC. 4. VOUCHERS.

Payments under this resolution shall be made on vouchers authorized by the Select Committee on Homeland Security, signed by the chairman of such Committee, and approved in the manner directed by the Committee on House Administration.

SEC. 5. REGULATIONS.

Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

SEC. 6. ADJUSTMENT AUTHORITY.

The Committee on House Administration shall have authority to make adjustments in the amount under section 1, if necessary to comply with an order of the President issued under section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 or to conform to any reduction in appropriations for the purposes of such section 1.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. NEY) and the

gentleman from Connecticut (Mr. LARSON) each will control 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. NEY).

Mr. NEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we are here today to consider House Resolution 110, a resolution providing for the expenses of the Select Committee on Homeland Security.

House Resolution 110 authorizes a total of $10,952,787 for the 108th Congress for the Select Committee on Homeland Security with $5,366,000 being allocated for 2003 and $5,585,000 being allocated for 2004.

The select committee was created to oversee the implementation of the Homeland Security Act of 2002. Its functions include working with the President to ensure the efficient and timely establishment of the Department of Homeland Security; coordinating efforts between Congress and the Federal agencies responsible for protecting our Nation from terrorist attacks; and reviewing and studying laws, programs, and government activities affecting homeland security.

This funding will enable the select committee to provide this important oversight function by overseeing the newly created Homeland Security Department and ensuring that the combined agencies are doing the job we all expect of them with regards to protecting our homeland and its security.

The funding for the Select Committee on Homeland Security is being considered in a resolution separate from the resolution that was just passed that funds the other standing committees, which was House Resolution 148, again due to the fact that the select committee is not yet a permanent committee.

I think we can all agree that after the tragic events of September 11, 2001 and the subsequent biological attacks that took place here at the U.S. Capitol, it was necessary to create a Federal department to coordinate security activities on the home front and to follow that up by creating an entity that will conduct the appropriate oversight activities.

I believe this resolution represents the product of a carefully constructed budget request. Ongoing discussions were held between myself, our staff, the gentleman from California (Chairman COX) and his staff to come up with a budget that was not only reasonable, but would also allow the select committee to do the job that it was chartered to do. I should also mention the gentleman from Connecticut (Mr. LARSON), our ranking member, and his staff greatly assisted in this process by communicating with the select committee's ranking member, the gentleman from Texas (Mr. TURNER) to produce the product that we have before us.

Like the other committees, the select committee will adhere to the two-thirds/one-third ratio of dividing committee resources between the majority and the minority. I would like to thank the gentleman from California (Chairman COX) and the gentleman from Texas (Mr. TURNER) for their efforts in reaching that goal.

In conclusion, I believe this resolution provides the Select Committee on Homeland Security with the necessary funds to complete its mission. I urge my colleagues to support the passage of the resolution. I again thank our ranking member and our members from both sides of the aisle and the staff on the committee for bringing this before us today.

Mr. Speaker, I reserve the balance of my time.

Mr. LARSON of Connecticut. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I strongly support House Resolution 110 which provides almost $11 million for the Select Committee on Homeland Security for the 108th Congress. Mr. Speaker, I want to commend my leader, the gentlewoman from California (Ms. PELOSI) and the Speaker of the House, the gentleman from Illinois (Mr. HASTERT), for their outstanding choices in Select Committee on Homeland Security leadership. I do not believe one could select two finer individuals than the gentleman from California (Mr. COX) or the gentleman from Texas (Mr. TURNER). We all know that they face a daunting task of building a committee from scratch while they simultaneously are engaging in substantive committee business. Since September 11, this has created an important urgency that the United States Congress must address, and both of these gentlemen, we believe, along with the vast experience that the members of that committee will bring, will handle this task adroitly.

Again, I would applaud the efforts of the committee Chair in ensuring the one-third/two-thirds split on the committee, and I also want to extend an extra thanks to the gentleman from California (Mr. COX) as well who went out of his way to secure extra space on behalf of the committee as well.

Mr. Speaker, I strongly support House Resolution 110, which provides almost $11,000,000 to the Select Committee on Homeland Security for the 108th Congress. The Select Committee on Homeland Security is the newest committee in the House of Representatives. Its mission—to oversee and set policy for the new Department of Homeland Security—will affect the security and safety of every American for years to come.

No one denies that the Select Committee on Homeland Security must be given ample resources to oversee the most significant restructuring of the Federal government since 1947 and help secure this nation's borders. I am pleased that House Resolution 110 proposes just that.

As I learned during committee funding hearings in March, the gentleman from California, Chairman COX, and the gentleman from Texas, Rep. TURNER, face the daunting task of building a committee from scratch while simultaneously engaging in substantive committee business.

House Resolution 110 will provide the wherewithal for Mr. COX and Ranking Mr. TURNER to hire professional staff with a wide-range of expertise, establish secure office space, procure office equipment and technology, and conduct field hearings on a wide-range of security issues, including port security, First Responders, and continuity in communications.

Mr. Speaker, I want to commend my leader, NANCY PELOSI, and Speaker HASTERT for their outstanding choices to lead Homeland Security Committee. If there are two individuals better qualified to lead the committee, I do not know them. I dare say our colleagues do not know them, either.

Rep. TURNER and Rep. COX bring a command of the issues, the respect of their colleagues, an ability to put politics aside when circumstances demand it, and an incredible appetite for hard work. Without question, these qualities will serve the new committee very well. In selecting the gentlemen from Texas and California to carry out the toughest and most sensitive assignments of the 108th Congress, Leader PELOSI and Speaker HASTERT have distinguished themselves by putting the security and safety of the American people ahead of all other considerations. That is what leadership is all about.

I was especially pleased to learn during the March hearing that Chairman COX intends to honor what is referred to as the ''Two-thirds, One-third Principle.'' This common-sense principle, which has worked extremely well for the other House committees, will provide Ranking Minority Member TURNER and the Committee's Minority Staff a *minimum* of one-third of the total funds, one-third of the total staff positions, and the control to expend those funds within the Committee's administrative guidelines, with no unusual constraints on the gentleman from Texas. Practiced faithfully, this principle will help ensure that the Select Committee on Homeland Security operates in as non-partisan a manner as possible. Given the sensitive nature of the Committee's work, the American people deserve nothing less.

Finally, let me thank Chairman COX for his efforts to procure adequate committee space for Mr. TURNER and his staff. As we all know, space is a scarce resource in the House. Nevertheless, Mr. COX has gone out of his way to accommodate the space needs of Mr. TURNER.

I thank the distinguished Chairman for bringing House Resolution 110 to the floor, and I yield back the balance of my time.

Mr. NEY. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to the order of the House of today, the previous question is ordered on the resolution, as amended.

The resolution, as amended, was agreed to.

The title of the resolution was amended so as to read: ''Resolution providing amounts for the expenses of the Select Committee on Homeland Security.''.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the subject of House Resolution 110.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

APPOINTMENT AS MEMBER TO TICKET TO WORK AND WORK INCENTIVES ADVISORY PANEL

The SPEAKER pro tempore. Pursuant to section 101(f)(3) of the Ticket to Work and Work Incentives Improvement Act of 1999 (42 U.S.C. 1320b-19), and the order of the House of January 8, 2003, the Chair announces the Speaker's appointment of the following member on the part of the House to the Ticket to Work and Work Incentives Advisory Panel:

Mrs. Berthy De la Rosa-Aponte, Cooper City, Florida, to a four-year term.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. CULBERSON). Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

TAX CUTS FOR THE WEALTHY NOT HEALTHY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

Mr. DEFAZIO. Mr. Speaker, 2 years ago, as the recession began and the government was projecting a $5.6 trillion surplus, the President muscled through a big $1.2 trillion tax cut based on those rosy projections that we would have surpluses as far as the eye could see. He said we could have it all. We could fully fund the Social Security Trust Fund and the lockbox and the Medicare Trust Fund and the lockbox, we could increase spending for education, the military, and we could cut taxes. A number of us at the time said, well, we really should not spend the money before we have it in the bank, and we said, let us do it year by year. We lost and we went forward.

Now, they also said at the time, and this is a quote from the gentleman from California (Mr. THOMAS), the chairman of the House Committee on Ways and Means, that their $1.2 trillion tax proposal was the solution for the then beginnings of the malaise of the United States economy.

□ 1815

The quote, ''By moving quickly our hope is to have both monetary and fiscal policy pull this economy out of its nose dive.''

Since the gentleman from California (Mr. THOMAS) made that statement on the day the bill was passed, March 8, 2001, the United States of America has lost a million jobs and the economy is still in decline.

Now the entire surplus has vanished. We are now confronted with deficits as far as the eye can see. And what do they propose? They propose now to borrow money to give tax cuts. That is right. We are going to borrow money to give tax cuts. Never before in the history of our Nation will we have borrowed so much, a trillion dollars, to give to so few. A few thousand individuals will benefit principally from this massive tax giveaway.

Every penny of the Social Security surplus only paid by wage-earning Americans will be borrowed and in great part transferred to those who earn over a million dollars a year, $105,000 each average tax cut for people who earn over a million dollars a year. It is an awful lot of Social Security taxes. That is an awful lot of hours worked by Americans and their families to finance those tax cuts for the wealthiest of the wealthy. The top 5 percent, $200,000 and up, will get 64 percent of the benefits. And as I said, families $1 million and up will average $105,600. And it principally goes to people who do not work for wages.

Somehow this administration honors those who either inherited or otherwise, perhaps they were part of the Enron scam or something else have accumulated a bunch of money, or otherwise honorably earned a bunch of money, but they can invest for a living. They do not work for wages. They do not have to go in 40 hours a week, 60 hours a week. They do not have to hold two jobs. They do not have to work for wages. They should pay a tax rate lower, according to this administration, than working American families.

Now, in the short term they say this trickle down from these wealthy people will put those working wage-earning folks back to work, and understand their theory since wage earners will pay higher taxers than investors, that will ultimately undo the deficits. We will get the money from the wage earners because the investors will not be paying the taxes anymore. But even to get there, they had to put in a Brooklyn Bridge provision which is that many of the provisions of this legislation will expire in a few years. Otherwise, the cost tag would go over a trillion dollars; and since we are borrowing all this money to give back, that would be a problem with a lot of folks. So the Brooklyn Bridge provision says that most of these tax cuts, except the ones that go to the wealthy, will expire in 2005. So the child care credit increase up to a thousand dollars, well, that drops back down to $700 in 2005. The increasing of the 10 percent bracket for the lowest income earners, those around $12,000–$14,000 a year, well, that expires in 2005. Married couples, helping to do away with the marriage penalty, that expires in 2005. The AMT, a lot of people do not know what that is, but a lot of middle-income families and upper-middle-income families will be falling into this trap, it needs to be fixed, that expires in 2005.

But guess what? The capital gains and dividend provisions, those that give the $105,000 a year to the families that earn over a million dollars, that never expires under the proposal the House will vote on tomorrow. And the top bracket rate reductions, those will not ever expire either. Wage-earning suckers will pay the bill while people who can afford to invest for a living will reap the benefits.

But this is trickle-down economics revisited; and as we know, it worked really well in the 1980s. In fact, DICK CHENEY was one of the principal architects back then to the deficit-producing, job-killing, trickle-down economics of the 1980s; and now we will revisit it in the 21st century. Shame on this House of Representatives for bringing up this bill in this manner with this constrained debate with no alternative that would produce jobs and wealth in this country allowed to be offered.

MACROECONOMIC ANALYSIS OF H.R. 2, THE ''JOBS AND GROWTH RECONCILIATION TAX ACT OF 2003'' PREPARED BY THE STAFF OF THE JOINT COMMITTEE ON TAXATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. THOMAS) is recognized for 5 minutes.

Mr. THOMAS. Mr. Speaker, pursuant to clause 3 (h)(2)(A)(iii) of rule XIII, I submitted the following macroeconomic impact analysis:

In accordance with House Rule XIII.3(h)(2), this document, prepared by the staff of the Joint Committee on Taxation (''Joint Committee staff''), provides a macroeconomic analysis of H.R. 2, the ''Jobs and Growth Reconciliation Tax Act of 2003.'' The analysis presents the results of simulating the changes contained in H.R. 2 under three economic models of the economy. The models employ a variety of assumptions regarding Federal fiscal policy, monetary policy, and behavioral responses to the proposed changes in law.

1. DESCRIPTION OF MODELS AND RESULTS FORMAT

(A) MODELS

The Macroeconomic Equilibrium Growth (''MEG'') model.—This model, developed by the Joint Committee staff, is based on the standard, neoclassical assumption that the amount of output is determined by the availability of labor and capital, and in the long run, prices adjust so that demand equals supply. This feature of MEG is comparable to a Solow growth model, described as the ''textbook growth model'' by the Congressional Budget Office (An Analysis of the President's Budgetary Proposals for Fiscal Year 2004, March 2003, pp. 28–29) (''CBO''). Individuals are assumed to make decisions based on observed characteristics of the economy, including current period wages, prices, interest rates, tax rates, and government spending levels. Because individuals do not anticipate changes in the economy or government finances, this type of behavior is referred to as

''myopic behavior.'' Consumption in MEG is determined according to the life-cycle theory, which implies that individuals attempt to even out their consumption patterns during their lifetimes.

MEG differs from a simple neoclassical growth model in that prices in MEG adjust to equilibrate supply and demand with a delay or lag, rather than instantaneously. This feature allows the model to simulate a disequilibrium adjustment path, in which resources may be underemployed or over-employed (used at an unsustainable rate) in response to policies that stimulate or depress economic activity. It also allows an analysis of the effects of differing intervention policies by the Federal Reserve Board. In this respect, the MEG model resembles econometric models such as the Macroeconomic Advisers model and the Global Insight model.

In the MEG simulations in each of the tables below, it is assumed that the Federal Reserve Board either acts aggressively by raising interest rates to counteract almost completely any demand stimulus provided by H.R. 2 (''MEG aggressive Fed response''), or remains neutral with respect to any changes in fiscal policy, allowing temporary changes in demand to affect levels of employment and output (''MEG neutral Fed response'').

The Global Insight (''GI'') econometric model.—Like the MEG model, this commercially available model is capable of simulating disequilibrium adjustments to changes in demand. The model is made up of a set of equations that estimate from historical data the behavioral coefficients that determine the timing and strength of economic relationships within the model. Comparable parameters in the MEG and OLG models are derived from economic research. In many cases this research is also based on econometric analysis of historical data.

Individuals and firms behave myopically in the GI model. For this analysis, the Joint Committee staff uses an estimated monetary reaction function designed to moderate gradually, but not completely offset, deviations from full employment by lowering or increasing interest rates. Thus, if the economy is operating near capacity, proposals that increase employment and accelerate the economy will result in increasing interest rates.

The overlapping generations life cycle model (''OLG'').—In this model, individuals are assumed to make consumption and labor supply decisions with perfect foresight of economic conditions, such as wages, prices, interest rates, tax rates, and government spending, over their lifetimes. The OLG model is similar to the type of model described as a ''life cycle model'' by the CBO, ibid.

One result of the perfect foresight assumption is that if a policy results in an economically unstable outcome, such as increasing government deficits indefinitely into the future, the model will not solve. Therefore, to run simulations in this model, it is necessary to assume that an offsetting budget balancing fiscal policy will be enacted. In the tables below, it is assumed that either government spending will be reduced after 2013 to offset the tax cut (''OLG future government spending offset'') or individual income tax rates will be increased after 2013 (''OLG future tax rate increase'').

The cut in government spending to offset the costs of a tax cut can be modeled either as a cut in transfer payments, as is presented here, or as a cut in ''non-productive government spending.'' The latter assumption is used in CBO, ibid. The difference between the two approaches is that consumers are assumed to value transfer payments, and thus work and save more within the budget window in anticipation of losing them; but they are assumed not to value non-productive spending, and therefore do not increase work or savings in anticipation of this cut. Thus, the anticipation of valued spending cuts results in more growth in the early years than the anticipation of non-valued spending cuts.

(B) RESULTS FORMAT

Because the exact time path of the economy's adjustment to changes such as a new tax policy is highly uncertain, the Joint Committee staff presents results as percent changes during the Congressional budgeting time frame. In addition, for the MEG and OLG models, which have been designed to provide long-run equilibrium results, information is provided about the long run. While it is impossible to incorporate unknowable intervening circumstances, such as major resource or technological discoveries or shortages, these models are designed to predict the long-run effects of policy changes, assuming other, unpredictable influences are held constant.

Because the MED model is myopic, if the policy simulated is ultimately a fiscally unstable policy, such as a net decrease in taxes that produces deficits that grow faster than the rate of growth of the economy, ''long-run'' is defined as the last period before the model fails to solve because of this unstable situation. For the OLG simulations, which incorporate a stabilizing fiscal policy offset, ''long-run'' is defined as the eventual steady-state solution.

2. ESTIMATED MACROECONOMIC EFFECTS OF H.R. 2

The magnitude of the macroeconomic effects generated by these simulations depends upon a number of assumptions, some of which are described above, that are inherent in the models used. Several additional assumptions detailed below.

(A) ASSUMPTIONS

Effect of tax rate reductions on investment.—Reductions in marginal tax rates (tax rates on the last dollar of income earned) on interest, dividend, or capital gains income create incentives for individuals to save and invest a larger share of their income, as each additional dollar of investment yields more after-tax income. Conversely, reductions in the average tax rate on income from capital provide taxpayers with more after-tax income for the same amount of investment, reducing their incentive to save and invest. Changes in the statutory tax rate affect both marginal and average rates of tax on these sources of income, providing potentially offsetting incentives. Consistent with existing research, the model simulations assume that on net, the marginal rate effect is slightly larger than the average rate effect, and thus decreases in tax rates on capital income increase savings.

Effect of reductions in the dividend tax rate.—There is general agreement that dividend taxation reduces the return on investments financed with new share issues. However, there are two alternative views regarding the effect of dividend taxation on corporate investment returns financed with retained earnings. The ''traditional view'' holds that reductions in dividend taxes would lower the cost of corporate investment financed with either new share issues or retained earnings, and thus would provide an incentive for corporations to increase investment. Alternatively, the ''new view,'' holds that a reduction in the dividend tax rate would not lower the cost of corporate investment financed with retained earnings. Under this view, a decrease in the dividend tax rate would result in an immediate increase in the value of outstanding stock reflecting the reduction in dividend tax payments, thus increasing the wealth of the stockholders, and providing an incentive for additional consumption. The model simulations assume that half of the corporate sector is in accordance with the traditional view and half with the new view.

Foreign investment flows.—Increased Federal government budget deficits increase the amount of borrowing by the Federal government. Unless individuals increase their savings enough to finance completely the increased deficit, the increase in government borrowing will reduce the amount of domestic capital available to finance private investment. This effect is often referred to as the ''crowding out'' of private business activity by Federal government activity. A reduction in national saving may lead to a reduction in domestic investment, and domestic capital formation, depending on the mobility of international capital flows. The government and private firms would compete for the supply of available funds and interest rates would rise to equate the demand and supply of funds. Returns on foreign investments would accure mainly to foreigners and would only increase the resources available to Americans to the extent that higher domestic investment resulted in higher wages in the United States. The MEG and GI simulations incorporate an assumption that there would be some in-flow of foreign capital to the extent that the rate of return on capital is increased by the tax policy. However, the inflow in foreign capital is not enough to offset completely the increased Federal borrowing. The OLG simulations assume there is no inflow of foreign capital.

Effect of tax rate reductions on labor supply.—As in the case of savings responses, tax rate reductions provide offsetting labor supply incentives. Reductions in the marginal tax rate on earnings create an incentive to work more because taxpayers get to keep more of each dollar earned, making each additional hour of work more valuable; while reductions in the average tax rate create an incentive to work less, because they result in taxpayers having more after-tax income at their disposal for a given amount of work.

Consistent with existing research, the simulations assume that taxpayers in different financial positions respond differently to these incentives. Typically, the largest response comes from secondary workers (individuals whose wages make a smaller contribution to household income than the primary earner in the household) and other underemployed individuals entering the labor market. As described above, labor supply responses are modeled separately for four different groups in MEG: low income primary earners, other primary earners, low income secondary earners, and other secondary earners.

Effects of reductions in tax liability on demand.—Generally, any net reduction in taxes results in taxpayers making more purchases because they have more take-home income at their disposal. Policies that increase incentives for taxpayers to spend their income rather than save it provide a bigger market for the output of businesses. The amount of economic stimulus resulting from demand side incentives depends on whether the economy has excess capacity at the time of enactment of the policy, and on how the Federal Reserve Board reacts to the policy. If the economy is already producing near capacity, demand-side policies may, instead, result in inflation, as consumers bid up prices to compete for a fixed amount of output. If the Federal Reserve Board believes there is a risk that the policy will result in inflation, it may raise interest rates to discourage consumption. In this case, depending on how strongly the Federal Reserve Board

reacts, little, if any increase in spending will occur as a result of would-be stimulative tax policy. The MEG aggressive Fed response simulation assumes the Federal Reserve Board completely counteracts demand stimulus; the MEG neutral Fed response simulation assumes the Federal Reserve Board ignores the stimulus; and the GI simulation assumes the Federal Reserve Board partially counteracts demand stimulus. The OLG simulations have no monetary sector because they assume demand automatically adjusts to supply through market forces.

(B) SIMULATION RESULTS

Economic Growth.—

TABLE 1.—EFFECTS ON NOMINAL GROSS DOMESTIC PRODUCT PERCENT CHANGE IN NOMINAL GDP

	Calendar years	
	2003–08	2009–13
Neoclassical Growth Model:		
MEG—aggressive Fed reaction	0.3	0.2
MEG—neutral Fed reaction	0.9	1.0
Econometric Model:		
GI Fed Taylor reaction function	1.5	1.2
Life Cycle Model With Forward Looking Behavior:		
OLG Reduced Government Spending in 2014	n.a.	n.a.
OLG Increased Taxes in 2014	n.a.	n.a.

TABLE 2.—EFFECTS ON REAL GROSS DOMESTIC PRODUCT PERCENT CHANGE IN NOMINAL GDP

	Calendar years	
	2003–08	2009–13
Neoclassical Growth Model:		
MEG—aggressive Fed reaction	0.2	−0.1
MEG—neutral Fed reaction	0.3	0.0
Econometric Model:		
GI Fed Taylor reaction function	0.9	−0.1
Life Cycle Model With Forward Looking Behavior:		
OLG Reduced Government Spending in 2014	0.2	−0.1
OLG Increased Taxes in 2014	0.2	−0.2

As shown in Table 1, depending on the assumed Federal Reserve Board reaction to the policy, the estimated change in Gross Domestic Product (''GDP'') due to this proposal can range at least from a 0.3 percent (an average of $43 billion) to a 1.5 percent (an average of $183 billion) increase in nominal, or current dollar GDP over the first five years, and 0.2 percent to a 1.2 percent increase over the second five years. As shown on Table 2, depending on the assumed Federal Reserve Board reaction to the policy, and on how much taxpayers anticipate and plan for the effects of future Federal government deficits, the change in real (inflation-adjusted) GDP due to those proposal can range from a 0.2 percent (an average of $18 billion per year) to a 0.9 percent (an average of $76 billion per year) increase in real GDP over the first five years, with a small decrease over the second five years.

Investment.—

TABLE 3.—EFFECTS ON CAPITAL STOCK

	Calendar years	
	2003–08	2009–13
Percent Change in Non-Residential Capital Stock		
Neoclassical Growth Model:		
MEG—aggressive Fed reaction	0.6	0.4
MEG—neutral Fed reaction	0.8	0.6
Econometric Model:		
GI Fed Taylor reaction function	1.5	0.4
Life Cycle Model With Forward Looking Behavior:		
OLG Reduced Government Spending in 2014	0.1	−0.7
OLG Increased Taxes in 2014	0.1	−0.8
Percent Change in Residential Housing Stock		
Neoclassical Growth Model:		
MEG—aggressive Fed reaction	−1.0	−1.5
MEG—neutral Fed reaction	−0.8	−1.1
Econometric Model:		
GI Fed Taylor reaction function	−0.5	−1.3
Life Cycle Model With Forward Looking Behavior:		
OLG Reduced Government Spending in 2014	−0.2	−0.1
OLG Increased Taxes in 2014	−0.2	−0.1

As the results in Table 3 indicate, this policy may increase investment in non-residential capital in the first five years by 0.1 percent to 1.5 percent, while reducing investment in residential capital by −0.2 percent to −1.0 percent because of the reduced cost of capital, which is due to the reduction in taxation of dividends and capital gains, and the temporary bonus depreciation. The investment incentives for producers' equipment in this proposal are likely to shift some investment from housing to other capital. The size of the shift differs between the simulations because of different assumptions about adjustment costs and savings responses. In the second five years, the sunset of the bonus depreciation provision, combined with the negative effects of crowding out will slow increases in private nonresidential investment. The simulations indicate that eventually the effects of the increasing deficit will outweigh the positive effects of the tax policy, and the build up of private nonresidential capital stock will likely decline.

Labor Supply and Employment.—

TABLE 4.—EFFECTS ON EMPLOYMENT PERCENT CHANGE IN EMPLOYMENT

	Calendar years	
	2003–08	2009–12
Neoclassical Growth Model:		
MEG—aggressive Fed reaction	0.2	0.0
MED—neutral Fed reaction	0.4	−0.1
Econometric Model:		
GI Fed Taylor reaction function	0.8	−0.4
Life Cycle Model With Forward Looking Behavior:		
OLG Reduced Government Spending in 2014	0.2	−0.1
OLG Increased Taxes in 2014	0.2	−0.1

As shown in Table 4, employment may increase from 0.2 percent (approximately 230,000 new jobs) to 0.8 percent (about 900,000 new jobs) in the first five years, as the effects of the acceleration of individual rate cuts, and the initial increase in investment prevail. Employment increases in the first five years because of both the positive labor supply incentive from the individual rate cuts, and the economic stimulus effect of the proposal taken as a whole. This increase disappears by the end of the budget period, ranging from 0 percent to −0.4 percent. The acceleration of the individual tax rate reductions is effectively a temporary provision relative to present law; thus, the positive labor supply incentives are temporary.

A substantial portion of the tax cuts in the proposed growth package, those attributable to the acceleration of the individual income tax provisions in the Economic Growth and Tax Relief Reconciliation Act of 2001 (''EGTRRA''), and the bonus depreciation/NOL carryback combination are temporary (operating from 2003–2006), and therefore likely to result in modest demand stimulus primarily in the first five years in the myopic models. In the OLG stimulations, in which individuals foresee the temporary nature of the stimulus, the increase in consumption is spread across both periods.

3. BUDGETARY EFFECTS

When the macroeconomic effects of a change in tax policy are taken into account, estimates of the change in receipts due to the proposal may change. To the extent that a new policy changes the rate of growth of the economy, it is likely to change the amount of taxable income, which will have a ''feedback effect'' on receipts. In addition, by increasing the after-tax return on investments in capital that generate taxable income, a change in policy may shift investment from non-taxable or tax-favored sectors, such as the owner-occupied housing market, into the taxable sector, and thereby increase receipts. The model simulations indicate that the policy analyzed here is likely to result in more economic growth in the first five years than under current law, and hence results in less revenue loss than what is predicted using conventional revenue estimates. As the GDP growth declines in years 6–10, the revenue feedback also declines.

A change in policy, however, may result in inflation as well as real economic growth. Inflation causes increases in nominal revenues (revenues measured in current dollars), without necessarily increasing the purchasing power of the Federal government. Conventional budget analysis is conducted in nominal dollars. To the extent that this analysis applies equally to revenue and expenditure estimates, this practice provides a reasonably accurate picture of the effects of inflation on the Federal budget. However, the Joint Committee staff analyzes the effects of tax policy on receipts, but not spending. Reporting revenues due to inflation, without reporting the commensurate budget effects would present an inaccurate picture of the effects of the proposal on the entire deficit. Therefore, the Joint Committee staff provides budgetary analysis in real (inflation-adjusted), rather than nominal terms. Table 5 shows the percent revenue feedback relative to the conventional revenue estimate, in real terms.

Even when presented in real terms, revenue feedback analysis alone may provide an incomplete picture of the effects of tax policy on the Federal budget. To the extent that the policy results in a net decrease in Federal receipts, with no offsetting expenditure reductions, the policy results in an increase in the Federal deficit. Increases in the Federal deficit generate additional debt service costs.

To determine how changes in tax policy affect the ability of the government to meet its current and future obligations it is helpful to compare tax-induced changes in the deficit and GDP. If GDP is growing faster than the deficit, the fiscal situation is improving, whereas if the deficit is growing faster, the fiscal situation is worsening. If deficits are growing faster (slower) than GDP, then the ratio of Federal debt to GDP would increase (decrease), which implies that future generations would have less (more) income to consume and invest after making payments on the debt.

TABLE 5.—EFFECTS ON REAL REVENUES PERCENT FEEDBACK IN REAL REVENUES RELATIVE TO REAL CONVENTIONAL ESTIMATE

	Calendar Years	
	2003–08	2003–13
Neoclassical Growth Model:		
MEG—aggressive Fed reaction	9.8	3.6
MEG—neutral Fed reaction	27.5	23.4
Economic Model:		
GI Fed Taylor reaction function	16.1	11.8
Life Cycle Model With Forward Looking Behavior:		
OLG Reduced Government Spending in 2014	6.1	3.0
OLG Increased Taxes in 2014	5.8	2.6

Table 5 shows the relationship between the change in receipts generated using macroeconomic analysis, and the predicted change in receipts provided by a conventional revenue estimate. A positive percentage indicates the estimated revenue loss is less when macroeconomic effects are taken into account than when estimated using conventional methods. As the simulations indicate, depending on how much temporary demand stimulus is generated by the proposal, the revenue feedback could range from 5.8 percent to 27.5 percent in the first five years, and 2.6 percent to 23.4 percent over the ten-year budget period.

4. DATA SOURCES

All of the macroeconomic models used by the Joint Committee staff are based primarily on quarterly National Income and

Product Account (''NIPA'') data published by the Bureau of Economic Analysis, U.S. Department of Commerce. In the MEG model, and to the extent possible in the commercial models, Joint Committee staff use the forecast for Federal and State and local government expenditures and receipts forecast by the Congressional Budget Office (The Budget and Economic Outlook: Fiscal Years 2004–2013, January 2003) instead of the NIPA series for these fiscal variables. For purposes of modeling changes in average and marginal tax rates in the macroeconomic models, the Joint Committee staff use microsimulation models that are based on tax return data provided by the Statistics of Income Division of the Internal Revenue Service (''SOI'').

The Joint Committee staff uses these microsimulation models to determine average tax rates and average marginal tax rates for the different sources of income in each model, and to calculate the changes in these rates due to the proposal. The tax calculator calculates the change in liability due to the proposal for each record. These changes are aggregated for use in the macroeconomic models according to the different levels of disaggregation in each model. In the aggregations, averages are weighted by the income for each group. The percent change in average and marginal rates due to this proposal are:

TABLE 6.—PERCENT CHANGE IN TAX RATES DUE TO PROPOSAL

Year	Average tax rate on wages	Average marginal tax rate on			
		Wages	Interest	Dividends	Capital gains
2003	−11	−9	−11	−51	−24
2004	−10	−6	−8	−49	−23
2005	−9	−3	−6	−52	−24
2006	0	0	0	−48	−23
2007	−1	0	0	−48	−23
2008	0	0	0	−50	−22
2009	−1	0	0	−47	−22
2010	−1	0	0	−48	−22
2011	−1	0	0	−52	−22
2012	−1	0	0	−50	−21
2013	0	0	0	0	0

To obtain information about the effects of proposals affecting business tax liability, the Joint Committee staff uses a corporate tax microsimulation model that is similar in structure to the individual tax model. This data source for the corporate model is a sample of approximately 140,000 corporate tax returns provided by SOI.

Depending on the requirements of the policy simulation, the corporate model can be run either on a full cross section of sampled tax returns, (i.e., one full year, or on a panel of returns constructed from any combination of tax years in the 1987 through 1998 period). This panel feature is particularly useful in tracking net operating losses and credits that can be either carried back or carried forward to other tax years.

Finally, Joint Committee microsimulation tax calculators are also used to help assess the effect of a tax proposal on the cost of capital because some firms are operating at or near a net operating loss (''NOL'') position, not all of the 50 percent of equipment expenses can be deducted by each firm each year. A key component of the cost of capital is the net present value of depreciation deductions. An increase in the value of the depreciation deduction lowers the cost of capital. The calculated percent increases in the net present value of the depreciation deduction due to this proposal are shown below (the change is different for each of the first three years because of the temporary nature of the bonus depreciation provisions in present law and in the proposal):

TABLE 7.—EFFECTS ON NET PRESENT VALUE OF DEPRECIATION DEDUCTION

Year	Percent change from present law
2003	8.3
2004	9.1
2005	15.4
2006	.005

5. CONCLUSION

The Joint Committee staff model simulations indicate that H.R. 2 would likely stimulate the economy immediately after enactment by creating temporary incentives to increase work effort, business investment, and consumption. This stimulus is reduced over time because the consumption, labor, and investment incentives are temporary, and because the positive business investment incentives arising from the tax policy are eventually likely to be outweighted by the reduction in national savings due to increasing Federal government deficits.

The SPEAKER pro tempore (Mr. GINGREY). Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. FILNER) is recognized for 5 minutes.

(Mr. FILNER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

SUPPORTING JOBS AND GROWTH ACT OF 2003

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. HENSARLING) is recognized for 5 minutes.

Mr. HENSARLING. Mr. Speaker, I rise today in strong support of H.R. 2, the Jobs and Growth Act of 2003. Now that we have won the battle for Baghdad and liberated the people of Iraq from despotism, it is time to win the battle for jobs and liberate the American family from economic uncertainty.

American families need more job opportunities and they need them now. The Democrats' plan for the American family is the same that it has been for 50 years, tax and spend, tax and spend, in other words, to take a larger slice of the family income pie. Our plan, the Republican plan, is to grow the size of that family income pie by growing the economy. Democrats have a plan to create more government. Republicans have a plan to create more jobs. The Republican plan will create 1.2 million new jobs by the end of 2004. The Democrat plan grows the government and erases tax relief, increasing taxes by $128 billion, dramatically threatening our economic recovery.

Mr. Speaker, Americans want more jobs, not more government. When economic growth occurs, businesses generate greater profits, more people go to work, they get better jobs, and they get better wages. But to encourage individuals and families to risk their time, to risk their savings on that new software idea, a transmission repair shop or any other enterprise, they need tax relief. Our plan provides it.

Mr. Speaker, we have historical evidence that tax relief works. Each time our Nation has significantly reduced income tax rates, economic growth has followed. After President Reagan lowered tax rates in the 1980s, real economic growth averaged 3.2 percent per year and Federal revenues actually increased by 20 percent.

When President Kennedy reduced marginal rates in the 1960s, we experienced several years of 5 percent economic growth.

The same is true of tax relief during the 1920s, where economic growth averaged 4.3 percent. The Democrats criticize the Jobs and Growth Act because they claim tax relief causes deficits. But as I just explained, history shows us that tax relief and business incentives can grow our economy and create jobs. That is the way to fight deficits. And while the Democrats protest job-creating tax relief on the one hand, they want to bust the budget by increasing Federal Government spending by over $1 trillion on the other.

The tax relief proposed in the Republican Jobs and Growth Plan amounts to just 2 percent of the budget. In other words, 98 percent of the deficit problem is on the spending side, the Democrat side. No Democrat in Congress should be able to look the American people in the eye, claim to care about deficits, yet propose to spend billions and billions more on Federal programs.

The Democrat plan guts the family budget. It is wrong. It is unfair, and does nothing to create jobs. Democrats claim to love jobs. They just seem to hate those who create them.

Now, Mr. Speaker, before becoming a Member of Congress, I was a small businessman for 10 years. And small

business is the job engine of America, creating two out of three new jobs in our Nation. While consumer spending has grown over the last 2 years, total business investment has declined for 8 consecutive quarters. We must reverse this trend.

Mr. Speaker, we cannot have capitalism without capital. Small business needs greater access to capital. Under the Republican jobs and growth package, 23 million small businesses in America would face a simpler, fairer Tax Code. They will benefit from a reduction in marginal income tax rates; they will face lower capital gains and dividend taxes; they can increase the amount of plant and equipment they can expense, all of which will allow them to grow their businesses and hire new workers.

Mr. Speaker, H.R. 2 will indeed create new jobs and jump-start the economy. I urge all of my colleagues to support the Jobs and Growth Act and do the right thing for our economy and do the right thing for our American families.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

HONORING HILL T.O.P.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. WICKER) is recognized for 5 minutes.

Mr. WICKER. Mr. Speaker, I rise today to commend a group of remarkable volunteers in my district call Hill T.O.P., which stands for Tupelo Outreach Project.

Conceived by the head of the local FBI field office in Tupelo, Mississippi, Hill T.O.P.'s mission is to meet the physical, spiritual, emotional, and social needs of the people of Tupelo and Lee counties.

Since its formation in 1995, Hill T.O.P. has quickly grown into one of the preeminent youth outreach ministries in the region. Just a few weekends ago, the annual event had teenage workers and adult supervisors at 57 different sites, helping needy families with yard work, clean up, painting, and minor home repairs.

With the idea that ''mission work begins at home,'' the organization started by FBI agent Mark Denham, truly embodies the finest principles of the Golden Rule and the biblical admonition to love thy neighbor as thyself.

Once a year, Hill T.O.P. seeks to provide what may seem simple services to dozens of elderly and less fortunate families in and around Lee County, such as painting a fence or raking a yard. To the recipients, these services would otherwise be financially or physically impossible.

This ministry is a wonderful example of the kind of commitment to community service that, I am proud to say, is evidenced throughout my home State of Mississippi. The work performed by Hill T.O.P. participants, youth and adults, demonstrates the strong volunteer spirit and Judeo-Christian values which lead so many Mississippians and Americans to become involved in activities to help friends and neighbors in need.

The organization's simple focus over the past 9 years has been on team work and serving God. This is probably one of the main reasons Hill T.O.P. continues to attract more enthusiastic volunteers each year. When Hill T.O.P. was started in 1995, Mr. Speaker, volunteers numbered 75 youths, and the group helped eight local families. This year's events included 347 volunteers working on 57 different projects. The volunteers came from different religious denominations, social backgrounds, and races, with more than 35 church youth groups being involved.

Everything Hill T.O.P. contributes to the community is the result of a massive outpouring of generosity and a volunteer spirit which is quite alive and well in our society. Professionals give of their time. Donations come from the wealthy and not-so-wealthy alike. Civic clubs and other organizations provide food, and the list goes on.

Mr. Speaker, this is an editorial about Hill T.O.P., which appeared in the April 25, 2003, edition of the Northeast Mississippi Daily Journal.

The editorial calls the efforts ''an amazing pooling of the local volunteerism, inter-church cooperation, and efficient organization.''

Mr. Speaker, the editorial reads as follows:

[From the Northeast Mississippi Daily Journal, Apr. 26, 2003]

AT THE HILL T.O.P.—AMAZING VOLUNTEER DAYS ACCOMPLISH GREAT THINGS

The unusual number of home repair projects visible to passersby today and Sunday in Tupelo and Lee County grows from the work of more than 400 volunteers involved in Hill T.O.P.—Tupelo Outreach Project.

The annual weekend of building, painting, cleaning, repairing, roofing and other chores places kids and adult supervisors at 57 sites. The work for people physically or financially unable to do it themselves can be as simple as raking yards and as complex as rebuilding porches or installing handicap access ramps.

The project started in one congregation. Now, it involves dozens who share a common understanding that service to others is at the heart of Christian discipleship.

Everything about the weekend is provided without cost to the people given help. Tools and materials used in the weekend are mostly donated, and they are stored in a warehouse funded by the Carpenter Foundation, a major funding source for many philanthropic enterprises in the greater Tupelo area. Many of the adult volunteers bring to the weekend a lifetime of professional skills in engineering, home-building, landscaping, administration, the arts, education, and the health sciences. All their labor and knowledge is freely given.

Behind the scenes, volunteers from many congregations pool their time and talent to provide food for most meals and snacks for each shift of workers. Outback Steakhouse continues its amazing record of corporate generosity with donation of the Saturday night meals.

Ecumenical worship services sustain the inspiration for the weekend.

The event also has strong support from many civic clubs, Tupelo's banking community, and individuals who make donations. All in all, it is an amazing pooling of local voluntarism, inter-church cooperation, and efficient organization.

Volunteers range from kids in their second decades to seniors in their ninth decade.

Mark Denham is the volunteer director, and Bill Dickson is his chief assistant. The two accomplish in one Hill T.O.P. weekend what some would consider the feat of a lifetime.

Mr. Speaker, I congratulate my friend, FBI agent Mark Denham, for his vision and leadership, and I commend the citizen volunteers of Hill T.O.P. for truly making a difference in the lives of their neighbors.

TAX CUT HURTS MIDDLE-INCOME AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. ALLEN) is recognized for 5 minutes.

Mr. ALLEN. Mr. Speaker, I rise tonight to discuss the proposed Republican tax cut that will be on the floor tomorrow, and I speak tonight because I know that the majority will not give us the kind of time to debate the issue tonight that the subject deserves.

I want to begin by just saying for anyone in the country trying to follow this debate, it is bound to be confusing and the question would have to arise, What is going on? I hate to say it, but I am afraid there is a good deal of deception in the arguments that are being made to promote this particular tax cut. For example, when the President spoke on April 15, he said that American workers and American businesses need every bit of their tax relief now. He said, a significant part of the benefit from his tax cut package would come within the first 2 years of the plan. He wanted to give Americans, he said, immediate tax relief.

□ 1830

When we look at the facts, only 6 percent of the tax cuts in the President's package would occur in the current fiscal year which ends September 30. Only 21 percent of the tax cuts would occur by the end of fiscal year 2004.

The White House has also released a fact sheet which says that under the President's proposal to speed up tax relief 92 million American taxpayers would receive, key words, on average a tax cut of $1,083 in 2003. Once again, the averages do not speak the truth. Eighty percent of the American taxpayers would get less than the average of $1,000. Forty-nine percent of the American taxpayers would receive a tax cut of less than $100.

So what is really going on here? It is very clear. If we look at what the Republican majority does and not what

they say, the goal is to reduce taxes on the wealthiest people in this country. The goal is to push the burden of funding government from the Federal level onto the States, and this is driven by an astonishing and remarkable continuing hostility to everything that the Federal Government does.

Let us look at our brothers in the States. Almost every State in this country is struggling with trying to fulfill their responsibilities. They are under pressures to raise property taxes and sales taxes because of reductions in Federal funds. We are not talking about a tax cut at the Federal level. We are talking about a tax shift. They are reducing funding for education, reducing funding for Medicaid, laying off State employees.

There is no way, furthermore, that we can call this tax cut fair by any stretch of the imagination. To take one more figure, one group of Americans will get tax cuts that total $139 billion. That group of American taxpayers are the 183 households that earn more than $1 million per year. Another group of Americans will get a total package of $139 billion, but that group is 124 million American households, the bottom 89 percent of our taxpayers, but that is not the worst.

People will come to this floor and they will say we are going to let people keep more of their money. It is not their money. Every single dollar that is going to be given back in tax cuts under the Republican proposal, every single dollar will be borrowed from the American people, and we, the American people, will wind up if this tax cut passes tomorrow with an additional Federal debt of somewhere between $550 billion on the low side to well over $1 trillion on the upside. This is our children's money that is being taken from them to give to the wealthiest people in the country, and it is an outrage.

This will also, for obvious reasons, drive up the debt. We have people coming to this floor and saying, well, these tax cuts will stimulate economic growth and they will try to leave us with the impression that there will be even more Federal revenues coming in. It is not true. By every economic model that the Congressional Budget Office has run, there is a dramatic decline in Federal revenues. We are looking, when we add up the 2001 tax legislation, other Bush administration tax proposals, when we package it all together, we are looking at a reduction in Federal revenues over 10 years of $4.6 trillion.

This plan is a disaster for our States, for working Americans. It is a violation of the fundamental premise that we will work together in this country to build a better and stronger America. This plan, this Republican tax cut plan, is a disaster for the country.

The SPEAKER pro tempore (Mr. GINGREY). Under a previous order of the House, the gentleman from Indiana (Mr. PENCE) is recognized for 5 minutes.

(Mr. PENCE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. SOUDER) is recognized for 5 minutes.

(Mr. SOUDER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Indiana (Ms. CARSON) is recognized for 5 minutes.

(Ms. CARSON of Indiana addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

PRESCRIPTION DRUG PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 5 minutes.

Mr. GUTKNECHT. Mr. Speaker, I rise tonight to talk about an issue that I have talked about on this House floor before, and that is the high cost of prescription drugs here in the United States compared to the rest of the industrialized world, but before I do I want to just come back to something my colleague just was talking about in terms of the tax relief.

I am going to support the tax relief package because I understand that there are only three things people can do with their money. One is they can spend it. Two, they can save it, or three, they can send it to the government in the form of taxes. They can only spend it, save it or pay taxes. That is the only three things people can do, and we know that when the economy is soft, at least most of us believe, that if we allow people to keep their own money, that will grow the economy faster than having them send it into the Federal Government.

I want to talk about something else tonight because cutting taxes is not the only way that we can help the economy, and on this first chart I say if we want to allow Americans to keep and spend over $600 billion during the next 10 years, here is a good place to start.

We have got the picture of some prescription drug containers. That is right, according to the Congressional Budget Office, the CBO, American seniors will spend over $1.8 trillion on prescription drugs over the next 10 years. A conservative estimate would be that we could save 35 percent by allowing free markets to work. Thirty-five percent of $1.8 trillion equates to $630 billion. Now, if my colleagues doubt that, just look at this chart, and this chart is available on my Web site at gil.house.gov, and just check the number for yourself, but let me pull out a few of these.

A common drug we all know about is Cipro. It is made by a German company named Bayer. They also make aspirin. Cipro in the United States, it sells for $87.99. This is according to the Life Extension Foundation, but on average, last year, Cipro sold in the United States, a 30-day supply, for about $87.99. The average price in Canada for those same drugs, $53.55 and in Europe, $40.75, less than half the price in Europe for the same drug.

Let us look at GLUCOPHAGE, a very commonly prescribed drug for diabetes, in many respects a miracle drug. In the United States, average price for 30-day supply, $124.65. That same drug sells in Canada for $26.47, and in Europe the average price is $22.

We go on down the list, we look at drugs like Premarin, Premarin in the United States, $55; in Europe, $8.95. Zocor, very commonly prescribed drug, today $123 in the United States; $28 in Europe. Do the arithmetic. I think we are being very conservative.

At the bottom of this chart I have something from one of my favorite Presidents, President Ronald Reagan. He said, ''Markets are more powerful than armies.''

Tax cuts are great, but if we want to help seniors lower prescription drug prices and allow Americans to keep and spend $630 billion of their money, let us open markets now. Americans deserve world class drugs at world market prices.

I was in Germany not too long ago, and we actually bought some drugs. This is a very commonly prescribed, a very effective drug against women's breast cancer. This drug was bought at the Munich airport pharmacy for $59.05 American. This same box of drugs bought here in Washington, D.C., sells for $366. What makes matters worse, this drug was developed, almost all of the research expenses were paid for by the American taxpayers. I think Americans ought to pay their fair share for the price of research and development for all of these miracle drugs. I think most Americans believe that, but we should not be required to subsidize the starving Swiss.

The time has come to open up markets, to give Americans access to world class drugs at world class prices. We can do that in the next several weeks. I need my colleagues' help. Let us all work together to make certain that Americans have access to those drugs at prices that they can afford.

BILL OF RIGHTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. CASE) is recognized for 5 minutes.

Mr. CASE. Mr. Speaker, our Federal budget and taxes are heavy on all of our minds tonight, but I stand today in defense of that most basic expression of our fundamental freedoms, our Bill of Rights, and I rise in doing so with incredible pride in my State of Hawaii,

which does not just talk about the Bill of Rights, we live it.

For generations now we have understood, not just in our heads but in our hearts, in our bones, the very essence of the Bill of Rights, which is that it protects minorities against the will of the majority. We have understood it not just because it was handed down to us from the cultural heritage of our indigenous peoples, the native Hawaiians, but because in Hawaii we are all minorities. Ethnically, no race is a majority. My own Caucasian race, no more than 25 percent. Americans of Asian descent, no more than 40 percent. Native Hawaiians, little over 10 percent. None of us is in the majority. We have to take care of each other, and similarly with the religions we have in Hawaii.

Our predominant Christian tradition in the rest of our country, no more than a third of the people in Hawaii, perhaps another third practicing religions that come primarily from Asia, Buddhist, Shinto, Hindu, and the rest of them an assortment of religions.

So in my Hawaii tolerance of diversity is not a matter just of civility. It is a matter of basic necessity.

In this tradition I am especially proud that my Hawaii State legislature has become the first legislative body in our country to officially call upon this Congress to alter those portions of the so-called PATRIOT Act and related Bush administration executive orders which run counter to this foundation rock of our democracy and rather than summarize what my legislature did, let me just read Senate Concurrent Resolution 18 passed just a few days ago by overwhelming majorities and reaffirming our commitment in Hawaii to civil liberties in the Bill of Rights.

''Whereas, the Hawaii State legislature is committed to upholding the United States Constitution and its Bill of Rights, and the Hawaii State Constitution and our Bill of Rights; and

''Whereas, the State of Hawaii has a distinguished history of safeguarding the freedoms of its residents; and

''Whereas, the State of Hawaii is comprised of a diverse and multi-ethnic population, and has experienced firsthand the value of immigration to the American way of life; and

''Whereas, the residents of Hawaii during World War II experienced firsthand the dangers of unbalanced pursuit of security without appropriate checks and balances for the protection of basic liberties; and

''Whereas, the recent adoption of the U.S. PATRIOT Act and several executive orders may unconstitutionally authorize the Federal Government to infringe upon fundamental liberties in violation of due process, the right to privacy, the right to counsel, protection against unreasonable searches and seizures, and basic first amendment freedoms, all of which are guaranteed by the Constitutions of Hawaii and the United States; and

''Whereas, the citizens of Hawaii are concerned that the actions of the Attorney General of the United States and the United States Justice Department pose significant threats to Constitutional protections; now, therefore,

''BE IT RESOLVED by the Senate'' and House of the State of Hawaii ''that the State of Hawaii urges its Congressional delegation to work to repeal any sections of the USA PATRIOT Act or recent executive orders that limit or violate fundamental rights and liberties protected by the Constitutions of Hawaii and the United States; and

''BE IT FURTHER RESOLVED that to the extent legally possible, no State resources, including law enforcement funds and educational administrative resources, may be used for unconstitutional activities, including but not limited to the following under the USA PATRIOT Act:

''Monitoring political and religious gatherings exercising their first amendment rights;

''Obtaining library records, bookstore records and website activities without proper authorization and without notification;

''Issuing subpoenas through the United States Attorney's Office without a court's approval or knowledge;

''Requesting nonconsensual releases of student and faculty records from public schools and institutions of higher learning; and

''Eavesdropping on confidential communications between lawyers and their clients.

''Be it further resolved that this resolution be forwarded to this U.S. Congress.''

Mr. Speaker, powerful words from my State legislature, and I have heard it said that those who oppose any provision of the PATRIOT Act are not patriotic. For my State and myself personally, I categorically reject that view. We in Hawaii give nothing away to any other part of our great country and our patriotism. We are proud of our country and our place in it. We are proud of the military service of our own sons and daughters in defense of this country, and we are proud that we in Hawaii are the center of our Nation's defense efforts in half of our world stretching from the mainland United States to the coasts of Africa.

To quote my State legislature in passing this resolution, our United States can be both safe and free. We must revisit the PATRIOT Act and accomplish the basic protection of our Bill of Rights.

□ 1845

PASS MEANINGFUL TAX RELIEF

The SPEAKER pro tempore (Mr. GINGREY). Under a previous order of the House, the gentlewoman from Ohio (Ms. PRYCE) is recognized for 5 minutes.

Ms. PRYCE of Ohio. Mr. Speaker, I am going to get right to the point, we have an economy today that is flat on its back. The national unemployment rate has hit an 8-year low at 6 percent. Manufacturing has dipped to historic lows, causing inventories to decline. While worker productivity may be on the rise, more and more employees are logging in 3 hours less every day. In the past 2 years, the Nasdaq has fallen over 60 percent.

Americans are out of work, and those with jobs are seeing their 401(k)s and retirement savings dwindle by the day. What this economy needs, Mr. Speaker, is what we would call in Ohio a Buckeye boost.

We know what the problem is, an investor-led sluggishness, that is stifling growth, new capital demand, and job creation. And we have the right solution.

That formula for success begins with the understanding that government does not earn a profit. Government just does not earn a profit. Government does not create the jobs in this economy. Government can only stand in the way of progress and prosperity.

So House Republicans have developed a common sense plan that targets the twin pillars of economic growth, consumers and small businesses. Let us talk about consumers first. It might surprise the average American to know that he or she comprises three-fourths of economic activity in this country. That is right. Consumer spending on goods and services represents 75 percent of the entire economy.

Think about that for a minute. That is why Republicans place such emphasis on returning power and income back to the hands of the individual taxpayer. Because when they have the money, they spend it on their needs and their family's needs, and that grows the economy.

So our plan accelerates income tax relief for every American who pays taxes. We give a little extra help for married couples struggling to make ends meet by eliminating the extra taxes they pay just for saying ''I do.'' I do not know about others, but I have never seen the tax man leave a wedding gift when he confiscates the extra taxes from married couples every April 15.

Additionally, our plan expands the child tax credit for families, giving parents an extra $1,000 to help raise their child and pay the bills. Finally, the onerous AMT continues to push more and more families into higher tax brackets. Our plan will save nearly 10 million Americans from paying more. That is real relief.

Let us talk about small businesses for a moment. Now the second and perhaps the most important part of this package is small businesses. Nine out of 10 jobs in your neighborhoods and communities were created by small businesses. That local entrepreneur who wanted to take a risk and open their own business is the reason jobs are created and this economy grows.

Republicans feel it is important to help that small business owner whenever we can. Our business expensing

provisions are just what the doctor ordered. Every business owner I talked to in Columbus, Ohio, tells me how important these expensing deductions are because when we lower costs, we free up income. That lets us businesses make investments elsewhere.

How often do we forget that over 23 million small business owners pay taxes at the personal rates, not the lower corporate tax rates. Did you ever wonder where the Democrats come up with these bogus numbers for the ''super rich'' and then they wage class warfare with these numbers? The dirty little secret they hope Americans do not realize is that most of these super wealthy people are actually small business owners.

Finally, the capital gains and dividends relief provisions in this package are an economist's dream come true. History is on our side. Every time this Congress has reduced the capital gains rate in this country, the economy has grown and revenues into Washington have increased. Conversely, every time we have raised the rate in order to tax businesses more and reduce the deficit, the opposite has happened. It is a simple economic truism. If you want more of something, tax it less.

So the gentleman from California (Mr. THOMAS) and the Committee on Ways and Means have developed a revolutionary idea to tax both dividends and capital gains less. This provision alone is projected to produce 400,000 new jobs and boost the stock market by as much as $550 billion. That is what I call a return on investment.

Mr. Speaker, we have failed the American taxpayer and the American worker if we do not first commit in this body to do our level best to create more and better-paying jobs, and that is what we have done. Taken together, this package will produce 1.2 million new jobs in a little more than a year.

In contrast, our opponents' plan pledges more spending and more unemployment checks, but no new jobs. There is not one guarantee for any new job under their plan because they raise taxes on individuals and businesses 1 year after they lower them.

So the next time Members hear of soaking the rich or reverse Robin Hood, just ask our opponents if their constituents would prefer 1.2 million new jobs or none with an unemployment check. The choice is clear.

This economy has one obstacle standing between historic levels of growth and a jobless recovery. That is meaningful tax relief. As Members, we can choose to do something about it, to make bold decisions for a bold recovery. Or we can sit on the sidelines, wring our hands, and hope, like the Democrats, that things get better on their own.

Mr. Speaker, the American people did not send us here to be potted plants. We came to change the course of history, to make this country a better place to live, work and raise a family, and that is what I intend to do.

VOTE FOR DEMOCRATIC SUBSTITUTE ON JOBS AND GROWTH PACKAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, what I like about the opportunity in addressing colleagues and speaking about issues in a pointed fashion, we can simply cut to the chase.

Mr. Speaker, it was in 1993 that a Democratic House and the President of the United States had to make a very difficult decision. But out of making that budgetary decision, we moved into the 1990s rebuilding our economy and generating the kind of surplus that America had not seen for 10, 15, 20, 25, 30 years. In 1997 again, when I was a Member of this body, the President of the United States, William Jefferson Clinton, and many of us, the Democratic Caucus, worked in a bipartisan manner to put forward a budget that really addressed the question of rebuilding the surplus.

So we see that out of that work we do not have to give anecdotal stories. We do not have to speak to pie in the sky. We have real proof because in January 2001 we had a $5.6 trillion surplus built upon the sacrifices of Democrats and the willingness to invest in the American public.

As we move through the Republican presidency, President Bush and the Republican Congress, under the Republican budget we now have a minus $2 trillion deficit as given to us by the Congressional Budget Office and the House Budget Committee, two independent sources.

Interestingly enough, we come over here to this question of jobs, and we hear that the bill on the floor of the House tomorrow is a job growth bill. We surely need jobs. I need jobs in Houston, Texas, and the State of Texas, jobs in New York and California, Mississippi and Kansas and Colorado, jobs all over the Nation. Well, from January 1993 to April 1995, the Bureau of Labor Statistics will tell us that the labor market gained 6.8 million jobs, not pie in the sky, reality.

Under President Clinton's policies and a Democratic Caucus working together from 1993 to 1995, we gained 6.8 million jobs. Then we get to January 2001, changing the administration and a Republican Congress, April 2003, we have lost 2.7 million jobs.

That is why I believe it is extremely important that we look realistically at what we need to do tomorrow. Frankly, what we need to do is to pass a real jobs growth initiative. The Democrats have the answer. We know that millions of Americans are going to lose their unemployment benefits, working men and women who do not owe us anything, we owe them because they worked and put dollars into the economy. So we want to extend Federal unemployment benefits.

We believe that we should support the States who are suffering. Texas alone has a $12 billion deficit. Republicans are down in Texas trying to redraw lines of congressional seats that will cost the State millions and millions of dollars. It is a nonsensical plan, but we are willing to commit money to the States to help with Medicaid, education, homeland security and infrastructure.

We were just in Texas looking at the needs of the Port Authority, looking at the needs of hospitals and emergency rooms. This is a program that makes sense to put money into States and support them. Yes, we would like to make sure that we include a response to the Republican plan by creating jobs. Every single aspect of our particular proposal, the Democratic proposal, would do so.

I hope there is a substitute. But, Mr. Speaker, frankly, I hope that it is a substitute that will draw the support of all of our colleagues, Democrats and Republicans, because if Members are truly interested in job creation, we cannot do it by giving a tax cut to 1 percent of the population or individuals making over $350,000. Those individuals making a million dollars and up getting $17,000 in a tax cut, and as the numbers go down to working Americans, we wind up with zero.

People are hurting. The unemployment rate is increasing, but let me add another component to this. This is the month of May. I will be attending many, many graduations, young Americans looking for jobs. And I can say there are no jobs. The job numbers are down. Add to that the brave men and women from the United States military just returning from Iraq. Yes, many will maintain their service in the military, and we applaud that. But many of them will be ending their service in the military, brave men and women who were willing to offer themselves to fight for our principles, and they have no jobs, plain and simple.

I do not understand how we can put forward a tax cut of $550 billion, ultimately $1.7 trillion, and suggest it is job creation when if Members speak to any of the CEOs of the Fortune 500 corporations and others they question whether or not the dividend tax cut would generate any dollars. What we need is investment in our small businesses, and investment in homeland security and infrastructure. That creates jobs.

Mr. Speaker, I am about to submit to the Committee on Rules another amendment that decreases taxes, and that is for those hard-working, tax-paying employees that suffered the roller coast of corporate malfeasance and criminal activity of corporations like WorldCom, which went bankrupt, Enron went bankrupt, they gave them severance pay, and they had to pay taxes on the severance pay.

I am putting forward an amendment which will decrease taxes on these hard-working Americans who lost their

jobs so that no one has to pay taxes on any kind of pay they get when the corporation went bankrupt because of malfeasance and criminal activity.

Mr. Speaker, I conclude by saying vote for a real jobs growth program. Vote for the Democratic substitute and stop all of the poppycock about what a $550 billion tax cut can do except put money in the pockets of the rich.

JOBS AND GROWTH PACKAGE WILL STIMULATE ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. HARRIS) is recognized for 5 minutes.

Ms. HARRIS. Mr. Speaker, I remain amazed at revisionist history which continues to accompany arguments against this visionary jobs and growth package.

We continue to hear accusations that the President's 2001 economic plan has not worked. Against what benchmark are we evaluating the success of this policy? President Bush inherited a speculative bubble that had burst in the Clinton-Gore recession when this body passed that plan. September 11, of course, worsened our economic outlook even more dramatically.

What was the result, then, of the President's 2001 economic plan? A potential deep depression became one of the shortest recessions on record. The economy is growing again, yet the American people continue to fear for their own economic security and for the dreams they nurture for their children and grandchildren.

The recovery remains sluggish, because the temporary nature of the 2001 tax cuts has restrained businesses from fully returning to the investment and growth mode. An unpredictable and ever-changing Federal tax policy is inimical to the long-term, predictable model that businesses require.

Thus, this year's job and growth package finishes the job that President Bush and Congress began in 2001.

□ 1900

Mr. Speaker, President Bush's plan to revitalize our economy is rooted in values instead of expediency. It reflects his belief that the genius of the American people is more powerful than the power of government. It follows the principle that indeed the American people are far better than Washington bureaucrats when it comes to creating jobs and wealth. John F. Kennedy and Ronald Reagan understood the power of this idea. They featured tax cuts as the centerpiece of their economic agenda, launching two of the longest economic expansions in American history. When Ronald Reagan inherited a shattered economy wracked by double-digit inflation, 20 percent interest rates, long gas lines and stagnant productivity, he turned the conventional economic wisdom on its head. At the time, the so-called experts told us that high inflation was a necessary evil of a growing economy. They also said that the Reagan tax cut plan would not fix the economy; it would only worsen it. They were wrong. President Reagan once quipped that when a friend of his was invited to a costume party, he actually slapped some egg on his face and went as a liberal economist.

President Bush's plan will rescue us from the economic morass the previous administration left behind, just as Ronald Reagan's visionary leadership accomplished more than 20 years ago. The jobs and growth package Chairman THOMAS has proposed includes all of the President's priorities, including the acceleration of individual rate cuts, marriage penalty relief, an increase in the child tax credit and a capital gains and dividend tax cut. Balancing the budget remains a very important objective and growing the economy while controlling spending is the best way to achieve that goal. I am concerned about deficits, but I am much more concerned about making certain that Americans have jobs.

The Federal Government's tax revenues increased after the Reagan tax cuts. The deficits of the 1980s occurred because spending outpaced revenue. Thus, we must keep spending in check. This tax plan will create 1.2 million new jobs for Americans, and we must pass it.

The SPEAKER pro tempore (Mr. GINGREY). Under a previous order of the House, the gentleman from Ohio (Mr. RYAN) is recognized for 5 minutes.

(Mr. RYAN of Ohio addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ORDER OF BUSINESS

Ms. LINDA T. SANCHEZ of California. Mr. Speaker, I ask unanimous consent to give my Special Order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

ON REPUBLICAN TAX PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. LINDA T. SANCHEZ) is recognized for 5 minutes.

Ms. LINDA T. SANCHEZ of California. Mr. Speaker, I am here this evening to talk about H.R. 2, the Republican proposed tax plan. By proposing H.R. 2, House Republicans are prompting a reckless tax cut for the wealthiest 1 percent of all Americans. Despite their efforts to deceive Americans, this tax cut will not create jobs or stimulate the economy. In California, 47 percent of taxpayers would receive less than $100 from the Republicans' tax plan, while the average tax cut for the top 1 percent of California taxpayers would be $35,940. The Republican proposal offers virtually no benefit to the average American. Even more alarming is that Republicans propose gutting critical programs that many Californians rely on, like Medicare, Social Security and education, to pay for the so-called tax cut.

In addition, the Republicans' tax package will generate a record $1.4 trillion deficit over the next 10 years. Imagine what we could do with $1.4 trillion. We could be using that amount of money to shore up our ailing Social Security and Medicare programs; $1.4 trillion could be used to assist States like California who are facing enormous budget deficits. This would put a halt to increases in property taxes and to cuts in education. If we really want to stimulate the economy, we need to provide tax relief for working families, like the Democratic tax proposal does. Republicans are showing their true values and priorities by giving permanent tax breaks to the very wealthy while shortchanging America's families.

If my Republican colleagues have any regard for hardworking American families, they will heed my plea to not support H.R. 2.

JOBS AND GROWTH PACKAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Tennessee (Mrs. BLACKBURN) is recognized for 5 minutes.

Mrs. BLACKBURN. Mr. Speaker, just yesterday our friends across the aisle introduced their version of a jobs and growth package. I have looked into the details of this plan, and it is nothing more than another empty promise to America's workers and entrepreneurs. On a daily basis, we in Congress meet with our constituents, and the message that they are sending should be clear to each and every one of us. Significant tax relief and jobs growth is what our economy needs most. We do not need another do-nothing plan, and American workers will not accept more spending on government programs. They will not accept more spending on government programs. They are sick and tired of tax and spend and tax and spend some more. And they are sick and tired of the old class warfare tactics.

The Democrats have proposed a $152 billion stimulus plan for a Nation with a GDP of over $10 trillion each year. Putting this in perspective, you may as well try and boost nationwide bubble gum sales by buying a single piece of bubble gum. The American people are not dumb. They know that you cannot expect significant economic growth without significant investment, and by ''investment'' I mean tax relief. Tax relief is an investment. It provides the capital that businesses and investors need to fuel expansion and jobs growth. There is no mystery here.

Republicans have a jobs and growth plan that is absolutely necessary. It amounts to much more than a drop-in-the-bucket plan that is proposed by

those across the aisle whose talents lay more in spending taxpayer dollars than trusting hardworking Americans to manage their own paychecks.

I want to speak specifically, Mr. Speaker, to the President's plan and what it means for Tennessee. This is a great plan. It will create new jobs. In Tennessee, it is going to create 11,500 new jobs per year for the next 4 to 5 years. That is about 55,000 new jobs for Tennesseans alone. Nationwide we are talking about 1.2 million new jobs by the end of 2004, and almost 2.9 million new jobs in the next 4 to 5 years. This is a jobs and growth plan. Increasing the child tax credit to $1,000 is good for American families. When we are talking about the child tax credit, that is money back in the hands of 27 million Americans during 2003. Moving the child tax credit from $600 to $1,000 is good for American families. It means less money taken from their paycheck to pay for taxes. Accelerating the individual rate reductions in 2003 is good for millions of taxpayers. Again, that means less money from their paycheck to pay for taxes. Providing marriage penalty relief now is the right thing to do. Marriage penalty relief means less money from their paycheck to pay for taxes.

I would encourage every Member of this body, our friends on both sides of the aisle, to join in making these tax cuts permanent. These are not radical provisions, Mr. Speaker; and they are central to a plan that will not only stimulate the economy, it provides a foundation for long-term job and economic growth. It is a plan for America's future that will produce results.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

OLD MEN'S OIL WARS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I would just like to say in response to the earlier Special Order, if the tax rate programs of the Bush administration as enacted 2 years ago actually produced jobs, then why has America lost nearly 3 million more jobs since that last bill was passed when in fact all those dollars were not invested in America but taken abroad and continue to empty out the manufacturing and agricultural sector of this country?

My speech this evening actually has to do with old men's oil wars. I thought it would be important to put on the record the following:

Midland, Texas, home to our current President, was drilled dry of oil decades ago. The President's father, who had also been President, had launched Zapata Oil Company to find more oil when Texas ran dry in the Gulf of Mexico and beyond. And then to his son, when the father was President and through his father's friends, was born Harken Energy which the current President headed. Both these firms looked beyond Texas' border for black gold. Both these firms were headed by men who became President of the United States. Harken invested in Bahrain. The President had to divest himself of that before he became our current President; but his father, George 41, still remains a Carlyle Group oil and defense acolyte. Their world view is shaped by oil. Their life has been oil. The politics they pursue is directly entwined with oil.

America consumes 25 percent of the world's petroleum, which is a diminishing world resource, yet we only have 2 percent of the world's people. So having drilled America dry for all intents and purposes, the fifties oilmen, I call them, began to rely more heavily on remaining global supplies. The motherlode lies in the Middle East. It is now on these supplies that America has become dangerously reliant. But rather than become energy self-sufficient here at home and create thousands of jobs in this country, America's older leaders have continued to drive America backwards into a dying petroleum age.

But Henry Kissinger, age 79, is smiling. For longer than I have been an adult, his vision has been to tie Iraq's oil to Israel and points west. This trade route would secure U.S. vital interests in the Persian Gulf, in oil and Israel. And now America has assured that Iraq is policed by over 100,000 U.S. forces.

Donald Rumsfeld, age 70, is smiling, too. He vainly bragged this month he is not known for his diplomacy. The world agreed. In his 1983 visit to Saddam Hussein as Middle East special envoy for the Reagan administration, he was rebuffed when he proposed on behalf of Bechtel Corporation, whose chairman in those days was George Schulz, an oil pipeline that would extend from Iraq through Jordan to Aqaba. Hussein demurred, fearing the pipeline would run too close to Israel. Now Rumsfeld has sat in Abu Gharyb Palace in Baghdad as viceroy Jay Garner receives Bechtel and Halliburton, which DICK CHENEY headed. That company now receives noncompetitively bid contracts from this government to secure the oil fields. Not far from northern Iraq lies Baku on the Caspian Sea, an oil bonanza that even Hitler coveted. U.S. forces in both Iraq and Afghanistan make future pipeline defense there so much easier.

George Schulz, age 82, is smiling. No longer Chair of Bechtel, he still serves on its board. His Stanford protege Condoleezza Rice, for whom Chevron named an oil tanker, heads the National Security Council.

DICK CHENEY, 62, is smiling. Halliburton, of which he served as CEO before becoming Vice President, just landed a no-bid contract, $7 billion from the government of the United States paid for by the taxpayers of the United States, to control the oil fields of Iraq. Vice President CHENEY already is receiving $180,000 a year from Halliburton in deferred compensation. I want to know if Halliburton plans to make an oil deal with President Karzai in Afghanistan who just happens to have ties to Unocal Oil.

Let America embrace the world of the future. Let us move beyond the hydrocarbon age. U.S. addiction to foreign petroleum has cost too many lives and the undemocratic oil kingdoms it has perpetuated are an international disgrace and the primary reason for the rise of terrorism. This world view of the old oil barons should be no more. Let America become energy independent here at home. Let the oil kingdoms democratize. Let us invest that $100 billion-plus we spend to defend foreign oil routes in new technologies here at home: photovoltaics, fuel cells, biofuels, in high speed rail, hydrogen, renewables.

Mr. Speaker, it is time for a new generation of Americans to take over the government of the United States.

□ 1915

GENERAL LEAVE

Mr. PRICE of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on the subject of the special order today.

The SPEAKER pro tempore (Mr. MARIO DIAZ-BALART of Florida). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

THE REPUBLICANS' PROPOSED TAX CUT PACKAGE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from North Carolina (Mr. PRICE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PRICE of North Carolina. Mr. Speaker, I come to the floor tonight with several of my colleagues to discuss our Republican friends' proposed tax cut package and the way it will affect the Federal budget and the American people.

Mr. Speaker, President Bush has presided over the Nation's worst economic performance since the Great Depression and the worst fiscal reversal in all of American history. Since President Bush took office, we have lost more than 2.7 million private sector jobs, and real GDP has inched at only 1.5 percent annually, the worst record for any administration in over 50 years. The 10-year $5.6 trillion unified budget surplus projected when President Bush

came into office is gone, totally gone. In its place the administration has proposed a budget with over $2 trillion in deficits over that same time period. That is a fiscal reversal approaching $8 trillion.

These charts tell the story. Here we have the fiscal reversal illustrated going from a $5.6 trillion surplus 2 years ago projected until now looking at a $2 trillion deficit over the next 10 years. And this chart gives the picture on jobs. In the first 28 months of the Clinton administration, 6.8 million private sector jobs gained, 1993 through April of 1995. In the first 28 months of the Bush administration, 2.7 million private sector jobs lost as of April of this year.

Unfortunately, in the face of all this, in the face of the worst fiscal reversal in this Nation's history, the response of our Republican friends is to propose more and more of the same failed policies. Finding themselves in a hole, their message seems to be just keep digging. Mr. Speaker, Democrats believe that a stimulus plan should be based on three simple principles, principles that should be self-evident but that our Republican friends incredibly seem unable to grasp.

First, a stimulus plan should be fair. It should put money back in the pockets of average Americans, boosting consumer demand and the business investment needed to meet it.

Secondly, a stimulus plan should actually stimulate the economy. It should be fast-acting with its impact concentrated to provide an immediate jump-start to the economy. It should get the most bang for the buck by targeting consumers likely to spend and businesses likely to invest and hire new workers.

Finally, a stimulus plan should be fiscally sound. It should be paid for. It should not pile up national debt. It should not contain gimmicks which disguise its true cost.

Mr. Speaker, the Democratic plan that we will be debating tomorrow is organized around these three principles. The Republican plan fails to meet the standards by a country mile. It is not even close. Tomorrow the House is scheduled to debate the Republicans' $550 billion tax cut, every penny of it borrowed money, funded by increased government debt that will be passed on to our children and grandchildren.

Tax cuts that actually stimulate the economy during a downturn make good sense. However, the Republican plan only puts in place 9 percent of its tax cuts this year, precisely when they are needed the most. The House Republican plan centers on tax cuts, on stock dividends and capital gains, both of which economists have rated as very ineffective in stimulating the economy. These proposals would benefit mainly upper-income individuals who are much more likely to save such windfalls than would be low- and moderate-income families. Under the Republicans' proposal millionaires would receive approximately $139 billion in tax cuts through 2013. That is essentially the same amount of tax cuts that would be received by the entire bottom 89 percent of households combined.

Mr. Speaker, it is simply irresponsible to be considering large upper-bracket tax cuts that will worsen the long-term deficit to the tune of $1.2 trillion over the next 10 years, to be doing this at a time when we should be paying down the national debt to prepare for the retirement of the baby boom generation, which after all begins in only 5 years. Moreover the Republican plan is full of phony sunsets and other gimmicks that actually understate its true cost.

By contrast House Democrats have proposed a stimulus package that is fast, fair acting, fiscally responsible, and paid for. It uses a proven approach to creating jobs and growing the economy, puts money directly into the hands of average Americans, the very people most likely to spend it, and it provides tax relief to businesses most likely to invest. It focuses on jump-starting the economy now at a fraction of the cost of the Republican tax cut proposal. It provides permanent tax cuts for most American families, including an immediate increase in the child tax credit, marriage penalty relief, the expansion of the 10 percent tax bracket. The House Democratic plan also extends unemployment benefits for 26 weeks. It increases the level of benefits and provides temporary aid to States to broaden coverage to low-wage earners and part-time workers. These benefits would provide financial help to 5 million out-of-work Americans, and economists have rated that as one of the most effective stimuli that would we could apply.

In contrast the Republican plan would allow the Federal Unemployment Benefits program to expire on May 31, leading to millions of families being denied this unemployment insurance to help tide them over.

What about the States? As a result of a bad economy, States are facing the worst fiscal crisis since World War II. States across the country are cutting education and health programs and raising taxes, undermining jobs, undermining economic recovery. The Democratic jobs and growth plan in stark contrast to the Republican plan which has said to the States go elsewhere, the Democratic plan would provide $44 billion in aid to States to minimize tax increases and service cuts and to prevent the job losses that would otherwise occur.

The second chart compares the stimulative effect of the proposals I have been discussing. If we extend Federal unemployment benefits for every dollar we spend, the stimulative effect in the economy, the amount of economic activity generated, comes to $1.73, one of the most effective things we could do. If we support the States through Medicaid and education and homeland security funding, for every dollar we invest that way we get $1.24 in bang for the buck, also a good stimulative effect.

The centerpiece for our Republican friends' dividend tax reduction, 9 cents of impact for every dollar of revenue lost. If what we are talking about is stimulating the economy, then this chart says it all.

Finally, the Democratic plan would provide companies with a tax credit worth up to $2,400 for hiring somebody who has been out of work at least 6 months and includes $29 billion in tax incentives to generate investment and jobs now, such as allowing small businesses to expense up to $75,000 of the cost of new investments through 2004, triple the current limit. In other words, businesses would be encouraged to invest sooner rather than later, again fueling economic growth.

Mr. Speaker, the bottom line is that the Democratic plan would create almost twice as many jobs as the Republican plan in the first year. Let me be specific. The Democratic plan would create 1.1 million jobs compared to the Republicans' 600,000 jobs. And the Democratic plan would achieve this at a fraction of the cost.

Instead of saddling our children and grandchildren with a mounting national debt, I urge my colleagues to support the Democratic plan that will help revive the economy, promotes economic growth, offers tax relief to those who need it most, uses honest accounting, and is paid for.

A number of Members are going to be speaking over this hour about the choices that we have tomorrow and about what we can do now, what we can do effectively to turn this economy around and to do that in a fiscally responsible way, and I yield to the gentleman from Virginia (Mr. MORAN), a valued colleague from Virginia, a member of the Committee on the Budget who over the years has stood for fiscal integrity, fiscal responsibility.

Mr. MORAN. Mr. Speaker, I thank the gentleman from North Carolina (Mr. PRICE), my very good friend and colleague, for yielding. I thank him for laying out the Democratic and the Republican plans tonight.

These are going to be the subjects of the debate tomorrow, and it appears that we are going to have another party-line vote. My friend recalls another party-line vote that we had in 1993 when President Clinton proposed an economic growth strategy to get out of another Bush recession. We were told by our colleagues on the Republican side of the aisle that this was going to cause more unemployment, further recession, that we would never recover, that it was unfair.

The fact is President Clinton did raise taxes. We are not talking about raising any taxes. President Clinton went ahead, raised taxes on the wealthiest people in this country. He balanced the budget. He made sure everything was paid for, that we did not

have to borrow money from Social Security and Medicare to pay for tax cuts as of course this tax cut plan does. It borrows every penny out of Social Security and Medicare. But now that we look back on the effects of that economic growth strategy that was very consistent with the Democratic plan that the gentleman from North Carolina (Mr. PRICE) has laid out and that the Democrats are going to present tomorrow, it worked. It worked.

During the 8 years of the Clinton administration, this country experienced the highest prosperity that any country in the history of civilization has ever experienced. Certainly this was the best extended economic boom that America could ever have realized. And, in fact, all those people, those people at the highest tax bracket, that was 39.6 percent at that time, they took home more after-tax income than has ever been achieved in any economy in the history of this United States of America. The wealthiest made more wealth, more wealth than they have ever experienced. So it was not a confiscatory rate. What we did was to plow money back into investing in people and education and training, balancing the budget so the financial markets had confidence that there were not going to be high interest rates in the future, and it worked. It worked. And of course those who own the means of production, they benefitted the most.

So now what are we going to do? As the gentleman from North Carolina (Mr. PRICE) has shared with us, we are doing just the opposite of the Clinton plan. We are consistent with what President Bush has already done, although so far the tax cuts that he has implemented have cost this economy 2.7 million jobs, but now we have a tax cut that is going to give the same amount of money to 1/10 of 1 percent of the American people. The 1/10 of the 1 percent of the very wealthiest Americans are going to get the same amount of money that the 90 percent of Americans who are earning less than $95,000 a year, which is pretty good but those are in the middle class. From $95,000 down, that is 90 percent of the American people, they are going to get as much benefit as the top 1/10 of 1 percent of the very wealthiest. Can that possibly be fair? It is not fair, and it is going to come back to haunt us. And this money that has to be borrowed from Social Security and Medicare that is going to come due, we are not going to have to pay it. Our kids are going to have to pay it. We have estimates now that the public debt of a child that is born today, by the time they are ready to enter high school, we are going to have $12 trillion of debt.

□ 1930

By the time they become a working adult, it is going to be much more than that; and they are going to be spending half of their income paying off debt that their parents' generation caused because of these tax cuts that are unpaid for. It is almost criminal.

Also, in addition to being so unfair to subsequent generations of Americans, it is so duplicitous. Now, I know it seems like nickel and diming; but, gosh sakes, in order to get this plan that is going to be offered by the majority through, we get a whole lot of magic tricks in this.

For example, you raise the child tax credit to $1,000, but for 3 years; and then you bring it back down again so that it does not look as though it is as costly as it really is. You do the same thing with the marriage penalty.

The American people ought to ask the proponents of this tax plan, do we get to keep these tax cuts? Are you going to give it on the one hand and take it away from the other? The fact is it is the latter. It is just like the last tax cut, to purport we could pay for it, they sunsetted it all in 2011. Now they come back, of course, and want to make all the tax cuts permanent.

Mr. PRICE of North Carolina. Why on Earth would our Republican friends want to do such a thing? It clearly is something that they do not intend to stick by. They do not really intend for these tax cuts to expire. Why would they write such a bill?

Mr. MORAN of Virginia. I suspect, I know it is a very good question, that they figure the American people are never going to catch on to what they are doing, to what the real cost of these tax cuts are, to the fact that the real cost of these tax cuts is $4.6 trillion over the next decade, if you include the interest on the debt that has to be borrowed and if you do what we know is going to have to be done, which is to make all these tax cuts permanent.

No Congress is going to restore taxes, nor is it going to increase taxes. We know everybody wants to cut taxes, so they are not going to be reinstated. It is just like the ones passed in 2001. We know that, the Republicans know that, but the Republicans are assuming the American people are not going to catch on, and they can fit this in a budget resolution and purport to suggest that this is some kind of balanced budget. It is not. We have got deficits as far as the eye can see. Who is going to pay for them? Not us. We are going to be retired. It is our kids that are going to have to pay for them. Thousands of dollars a year they are going to be paying because of what we are about to do tomorrow.

This is wrong. This country cannot afford it. What this country can afford is getting people back on their feet, getting money back to States where they can generate $1.73 for every dollar invested, instead of 9 cents generated by the President's proposal.

We need to believe in America. We need to recognize what has worked in the past, what worked in the 90s, and what has not worked since President Bush took office. We have turned a $5.6 trillion surplus into trillions of dollars of debt, and it is mounting every year.

I know my colleagues are here, and they want to share their views as well; but I appreciate the gentleman yielding.

Mr. PRICE of North Carolina. Before we yield to our colleague from Washington State, let me just commend the gentleman for a powerful statement and also for reminding us of a little bit of history, not too ancient history, but history that goes back to 1993 and a night on this House floor that many of us will never forget, where without a single Republican vote we passed a far-reaching plan to move the budget toward balance; and in fact from every year from then forward, until this President took office, every year for 8 years the deficit came down.

Mr. MORAN of Virginia. We had the strongest economy.

Mr. PRICE of North Carolina. The strongest economy and the most sustained recovery. We even reached the point where we were running a surplus, not just a Social Security surplus, but a surplus in the general fund of this government. We retired $400 billion worth of the national debt. But our Republican friends might not be convinced by that historical lesson. It does not reflect very well on them.

So let me just ask the gentleman, look back to some previous Republican administrations. Is it not true that in 1982, when the Nation went into a recession and President Reagan had pushed through some tax cuts and the deficits were mounting, that with Senator Robert Dole's leadership some of those tax cuts were rescinded and some spending was cut? The Congress and the President found themselves in a hole, and they quit digging. They at least quit digging. They did not make the problem worse. To some extent they halted the deterioration of our fiscal situation.

Then think about the first President Bush. I am sure you remember that battle. President Bush said ''read my lips'' and had gotten himself locked into a situation. But when the economy declined, when the fiscal situation deteriorated, he had the courage and the statesmanship to work with Democrats across the aisle and to put a 5-year budget plan in place. So the first President Bush, when he found himself in a hole, he quit digging.

So if our Republican friends do not find the 1993 episode instructive, then maybe they will find those earlier episodes instructive. Then the question comes back, why is it that this White House seems to feel none of that restraint? Why is it that this Republican leadership seems to feel none of that concern, but is perfectly willing, finding themselves in a deep and dangerous fiscal hole, to propose that we should just keep digging?

Mr. MORAN of Virginia. That is the operable phrase, my friend. If you are in a hole, and we are in a very deep deficit hole, you ought to stop digging. In 2001 we were told that the tax cuts of $1.3 trillion were going to revive the economy. They did nothing like that. What they did was to cause more unemployment and the financial markets

to lose confidence in the future, and it has hurt States and localities terribly.

I suspect, though, that the answer to the gentleman's question, why has this President Bush acted so differently than his father, is that he recognizes that although his father did the right thing in 1990, set this country on the course of a balanced budget, and really it was President Clinton acting consistently with that 1990 legislation in 1993, but the first President Bush deserves a lot of credit. But I suspect the people in the White House now feel that may have been why he lost the presidency.

But that ought not be the criteria. The criteria ought to be whether your years in service to this country have produced a better America, not only for your family and my family and the whole American family, but, most importantly, for future generations of America. That is what we are looking for. We are looking for that long-sighted economic policy that has worked in the past.

I thank the gentleman for his thoughtful, historical perspective; and I yield back to the gentleman so he may call on other colleagues.

Mr. PRICE of North Carolina. I thank the gentleman.

I turn to our colleague, the gentleman from the State of Washington (Mr. MCDERMOTT), a member of the Committee on Ways and Means and a long time member of the Committee on the Budget.

Mr. MCDERMOTT. Mr. Speaker, I was coming downstairs from the Committee on Rules where I was up there making a presentation as they prepare for our consideration of this bill tomorrow. It was never so clear to me as it was sitting there that we are in a one-party government here, where the President and the House and the Senate are all from one party, and they are going to have a discussion down here tomorrow on their proposal. But what I really am fearful of is that the proposal the gentleman is putting out here tonight will not be allowed into the discussion tomorrow, except in a very abbreviated form. I think that is unfortunate, because I think the American people ought to have a chance to choose between alternatives. That is what this government is about.

Will Rogers one time said people would rather have fair taxes than lower taxes. The fact is we do not have fair taxes. The proposal that is coming down here tomorrow is one that 80 percent of the benefit goes to people above $90,000 a year in income. Now, I do not think they need a tax break. The effect of this bill tomorrow would be to give a $105,000 tax break to people making $1 million, while people who are making $40,000 will get $325.

Now, that is not a fair tax structure, and it basically says the only people who know what to do with their money are people who are rich. If you give it to the people down there making $40,000, they will not know what to do with it. They will squander it away on something, I do not know what; but if we give it to the rich people, suddenly things will be stimulated.

The problem with that theory is that the Commerce Department, Mr. Bush's Commerce Department, has come out and said that industry in this country is operating at 75 percent of capacity. There is plenty of capacity right now. There is no need for further investment in capacity. What you need is people with money in their hands to buy things.

Now, the bill that I proposed, the amendment I proposed upstairs, is a proposal that would give a tax holiday on the first $20,000 of your payroll taxes. Everybody pays payroll taxes. Not everybody pays income tax, because if you are down low enough, you do not. But if you are down low or high up, you pay payroll taxes for Social Security and for Medicare.

If you gave a tax holiday on $20,000 of income, everybody in this country, every working person in this country, would get somewhere between $1,400 or $1,500 in rebates. That means that 94 percent of the money would go to people below $75,000 in income, and it goes all the way to the bottom. Everybody gets it. In my view, that is a fair tax cut, if you are going to have one.

I really think the idea of a tax cut in the first place is a bad one. Sitting on the Committee on Ways and Means, I have watched these tax cuts go whistling through there one after another, and we go deeper in debt.

I was looking at what is going on in the States. California is $34 billion in the hole; New York is $12 billion; Texas is $10 billion; Washington State, my State, is $2.4 billion. The National Conference of State Legislatures reports that 41 States have accumulated almost $84 billion worth of deficit in this year, and what we are doing at the national level is looking out on those States and all the mess that is out there and saying, tough luck, you are on your own.

Now, that is a major philosophical debate that goes on in this House, what responsibility does the Federal Government have and what responsibility does the State have, and this administration has been pushing off on to the States all the responsibility for education, health care, the environment, whatever; and the States are being destroyed.

The Missouri Governor, the new Governor, is going around turning off every third light bulb. He put out a memo for the State of Missouri. Connecticut is laying off prosecutors in the court system. In Kentucky they are laying off prison guards. Nebraska just put 25,000 women and children off the Medicaid program. In Michigan they are considering a proposal to put advertising on the sides of police cars so they can make money, making them rolling billboards. That is where these States are. Ohio has taken 50,000 off of health coverage and Colorado is cutting out the senior citizen benefits on property taxes for 120,000 seniors in Colorado.

Now, I could go on with that list, and it does not make any difference what State you are talking about. And we at this level are saying what we are going to do with the money we have is we are going to give it to those people at the top. They are the only ones who know what to do. They are going to save us. And we are not giving money out to the States and the counties, with all the problems at the State level or dealing with the problems in our own system, or preparing for all the people who are going to come on to Medicare and Social Security in 2008 or 2009 or 2010. We are not preparing for that at all.

□ 1945

Today, we are giving it all away. And then we are saying, gee, Social Security does not work anymore, Medicare does not work anymore. We have to put that responsibility on people.

Next Friday, a week from today, we will be dismantling the Medicare system in the same way. That is the system that this party has put in order and they are going to keep doing it one week at a time, and we are seeing it, and we will not have any money to respond to that because we have given it all away.

Now, we have a choice tomorrow. We could say no to the President's way and the Committee on Ways and Means chairman's way. The chairman said upstairs that the Congress is kind of like a poker game where everybody sits down at the table and at the end of the night the same amount of money is there, but different people have it. And what I am saying, my answer to that is yes, that is true, and I think that ordinary working people ought to get it and the Democratic proposal is an attempt to do that. But the leadership of this House is going to bring in a bill tomorrow that will make it increasingly unfair in this country.

I congratulate my colleagues from North Carolina and Virginia and Connecticut for coming down here and letting the people know that the Democrats do have a proposal, because they will control the rule tomorrow in such a way it will look like we did not even have any ideas. We do have ideas, but they are not consistent with giving it all to the people on the top.

Mr. Speaker, the American people are sitting there, after dinner, at the dinner table and you think to yourself, does somebody who makes $1 million really need a $105,000 tax break? I mean just ask yourself. And then you think about the people in your neighborhood who are scraping to pay their drug benefits and do the things that they have to do for themselves. My mother just bought a hearing aid. She is 93. Hearing aids cost $800 if you can get a cheap one. They are not covered by Medicare. So if you do not have kids who can help you, you do not get a hearing aid.

I mean, do we really need to give all of this money to the people on the top? Where is the fairness in that?

I think the gentleman from North Carolina (Mr. PRICE) should be congratulated for his effort tonight to give the people an understanding of what is going on. It is unfair.

Mr. PRICE of North Carolina. Mr. Speaker, I thank the gentleman and I particularly appreciate his focus on the plight of the States. My colleagues may recall that the governors were in town a few weeks ago, Democratic and Republican governors who went to the White House, I understand, and talked about the ways that in a temporary way there could be some help for the States and, as we said earlier, help for the States is one of the best ways to stimulate the economy. It gives good bang for the buck. They suggested such obvious ideas as a little better cost-sharing on Medicare temporarily to tide them over. What kind of reception did they get down there, Republican and Democratic governors alike?

Mr. MCDERMOTT. They basically were stiffed.

Mr. PRICE of North Carolina. Stiff-armed, I understand.

Mr. MCDERMOTT. Mr. Speaker, I do not think the American people understand, and the gentleman is down in Chapel Hill and he knows the pressure that is on the hospitals; it is the same in Chicago or Richmond or Seattle or New York or anywhere. What we are saying to those counties, to those cities, to those States, we are not going to help you. You are on your own. The President made no provision.

Mr. PRICE of North Carolina. What about our Republican colleagues in the House? They are supposedly in closer touch with these local communities. Does their bill contain one dime of help for the States?

Mr. MCDERMOTT. No, not a single dime.

Mr. PRICE of North Carolina. And the Democratic plan, $44 billion, it is temporary, it stimulates the economy, it helps bail the States out. It will help avoid counterproductive things at the State level, cutting back services, raising taxes. What good is it going to do to cut taxes here if they have to be reimposed at the State level?

Mr. MCDERMOTT. Mr. Speaker, I think the long-term effects of not dealing with the social problems in this society are more costly in the end than if you put the money up front. If you do not feed people and take care of them and give them preventive health care, you pay much more at the far end when they are seriously ill and then you spend thousands and thousands of dollars that would not have been necessary if you had dealt with it in the early stages. It is so cost ineffective.

We talk about history. I do not know where the people went who were here on the other side when I came here. They used to talk about deficits being terrible and bad, and they have all disappeared. I mean I sat on the Committee on Ways and Means and the Treasury Secretary, Mr. Snow, came before us and said, deficits are not bad. I could not believe what is going on. We are going to spend so much money financing that debt. And the gentleman and I, we will not do it. It will be our kids. That is not fair.

Mr. PRICE of North Carolina. Mr. Speaker, there is nobody within our hearing tonight who could not think of better public and private uses for that than throwing it down the rat hole of $300 billion, $400 billion of interest on the debt each year. I thank the gentleman for his contribution.

Mr. Speaker, I am pleased now to recognize our colleague from Virginia, another colleague from Virginia (Mr. SCOTT), a member of the Committee on the Budget and a much respected Member of this body who has made himself an expert on budget affairs, and we appreciate him having his usual array of charts tonight to illustrate the situation we are facing.

Mr. SCOTT of Virginia. Mr. Speaker, I thank the gentleman from North Carolina for his distinguished leadership on this budget issue. It is a very difficult issue and the gentleman has provided excellent leadership, and we thank him for that service.

The gentleman is right, I like to use charts, because we have heard a lot of descriptions, we have heard a lot of adjectives and projections. Let us just look at the numbers. This chart shows the numbers over the past few years of what the deficit has been, starting with Presidents Johnson, Nixon, Ford, Carter, great deficits under Presidents Reagan and the first Bush. And we have heard comments about the 1993 vote when President Clinton came in, without a Republican vote in the entire House or Senate, very close votes, 218 to 216 in the House, 50–50 with Vice president Gore breaking the tie in the Senate. And, as a direct result of that, along with economic growth, every year was better than the one before until we went into a surplus. Social Security and the lockbox, Medicare in a lockbox and a $100 billion surplus after that.

The Republicans will say that after 2 years of the Clinton administration, they took over. That is true, and they offered the same kind of tax cuts that President Bush has signed, but President Clinton vetoed that bill. They threatened to close down the government. He vetoed it again. They closed down the government. He vetoed the bill again, and continued vetoing their irresponsible tax cuts year after year as the budget situation got better and better each year. Under his leadership, he had enough Democrats in the House and the Senate to sustain those vetoes and control the budget situation year after year, each year being better than the last.

When President Bush came in, he signed those irresponsible tax cuts and we see what happens. Actually, this chart, as bad as it looks, needs to be updated. We have not gotten the more recent numbers; it may in fact be off the chart.

People ask, well, if things are this bad, where is the Democratic plan? Well, the Democratic plan is in green. That is our plan; this is their plan.

Now, how did we get in this mess? We got in this mess with tax cuts and we have asked, well, who got the tax cuts? And you have heard the adjectives. Let us look at the graph. The bottom 20 percent, the next 20 percent, the middle 20 percent, the fourth 20 percent, and the top 20 percent, blue is the 2001 tax cut, green is the proposed 2003 tax cut. The same pattern.

Now, there is a line that is hard to see right at about the 50 percent mark. The top 1 percent get 50 percent of the tax cut that we enacted in 2001. So we have a budget mess. We got there with tax cuts to the wealthy, and we were told that the reason we needed to do that, the reason we needed to mess up the budget to give tax cuts to the wealthy was to create jobs.

Let us look at the jobs per administration, the second Truman administration, the Eisenhower administration, first and second, Kennedy, Johnson, Johnson, all of the administrations over the years, the job creation record, George W. Bush, President Bush, the worst job creation record since the Truman administration, a loss of over 2.5 million jobs.

Now, we are told that, well, what do you expect after September 11? Let us point out that this chart includes the Korean War. It includes the Vietnam War. It includes the whole Cold War, the first Persian Gulf War, hostages taken in Iran, it includes all of that, and still the worst in over 50 years.

So how bad does it have to get before we acknowledge that it did not work?

What did we get? We got debt. If we left the budget alone, we would have paid off the national debt by 2008. The projection in May of 2001, right after this administration came in, virtually no debt held by the public. Instead, in 2008 we are going to have almost $5 trillion in debt.

With debt, we get interest on the national debt. Let us look at the interest. The interest on the national debt, because the debt was going to zero, was going to zero, interest on the national debt. Instead, this red line is the interest on the national debt that we have to pay. And the difference as we go, the billions of dollars in additional debt by 2010, $1.6 trillion wasted in additional interest on the national debt that we would not have had to pay.

Now, let us put these numbers in perspective. The green is the interest on the national debt that we were going to pay going down to zero. Red is the interest on the national debt that we are going to pay. Blue is the defense budget. To show how much interest on the national debt we are going to end up paying and put it in perspective, instead of zero we are going to be spending almost as much interest on the national debt as we are spending on national defense.

Now, let us make it personal. Take the interest on the national debt, divided by the population, multiplied by 4, what is a family of four's portion of the national debt? Right now it is about $4,500 every year, interest on the national debt going to zero. By 2013, because we have messed up the budget, interest on the national debt, a family of four's portion of interest on the national debt, $8,500 and growing. That means the first $8,500, you get nothing, except pay for what has already been spent.

Now, the next chart shows how challenging a situation we have gotten ourselves into because this is the Social Security chart. Right now, we are not even balancing the budget, spending the Social Security surplus. We are not balancing the budget. But in 2017, because the baby boomers are retiring, we are having a deficit, almost $1 trillion, running up to about $1 trillion over the next 30 years. If we cannot balance the budget with a Social Security surplus and we are spending the surplus, what are we going to be doing out here when we have a $300 billion deficit, divided by 300 million people in America, $1,000 a piece, will be $300 billion, that is $1,000 for every man, woman, and child, for Social Security deficit, you end up with the interest on the national debt deficit. How bad does it have to get?

There is one more thing I want to mention. That is, I told my colleagues about the chart where 1 percent gets half of the tax cut. Instead of the tax cut for the upper 1 percent, if we had allocated that into a trust fund for Social Security, we could pay Social Security for the next 75 years without any diminution in benefits. Seventy-five years for the tax cut that the top 1 percent got.

Mr. Speaker, we cannot afford another tax cut. We need to go back to the green, the Democratic plan. What we are doing, what we have done to the budget is obscene. What we are doing to the budget is just unconscionable.

Mr. PRICE of North Carolina. Mr. Speaker, if I could just ask the gentleman to underscore what he just said. Are you saying that the amount that it would take to make Social Security whole for the next 75 years is less than the amount of this Republican tax cut?

Mr. SCOTT of Virginia. Mr. Speaker, it is less than what the top 1 percent got in 2001.

Mr. LARSON of Connecticut. Mr. Speaker, will the gentleman yield?

Mr. PRICE of North Carolina. Yes.

Mr. LARSON of Connecticut. Mr. Speaker, I am very intrigued by the gentleman's charts, and it seems to me, based on the number of speakers that we have had in this hour that we have been given; my question is, Mr. Stockton used to say that what we have to do in order to get rid of these social programs that the Democrats have put forward like Social Security, Medicare, and Medicaid, is starve the beast.

□ 2000

Is this not the method that is now being used? We have just heard the gentleman from Washington State talk about what is going to happen next week with respect to Medicare. We saw a budget atrocity last week. And now we are talking about taxes, a tax cut tomorrow that basically leaves us, as your charts amplify, with no money to provide for these much-needed and highly successful and highly valued programs that have helped all of our citizens.

Mr. SCOTT of Virginia. You cannot get to balance through spending cuts. As I indicated, the entire defense budget is about $400 billion. We are 500 billion and counting, slightly offset because we are spending $150 billion on Medicare and Social Security surplus that is coming in. But this is out of budget. The onbudget part of the budget, what is coming in and going out outside of Social Security and Medicare is $500 billion. The entire defense budget. Everything we spend outside of Social Security, Medicare, and defense and pensions, everything is about $800 billion. Everything. Foreign aid, FBI, prisons, NASA, everything, education, roads, everything. It is about 800. If you cut the government in half, you could not balance it as bad as it has gotten.

Mr. LARSON of Connecticut. So this is incredible when you think that this seems to be all part of a design, a design that is geared to in fact deny people over time the ability to respond to needs that we know, as your charts illustrate, with the baby boomers retiring, that are funds that are going to be necessitated, less the programs per the design of starving the beast, the beast in this case being social programs.

Mr. SCOTT of Virginia. You cannot create a chart like this by accident. Eight consecutive years, each year better than the last; under the present administration, each year worse than the last and no help in sight. You do not do that by accident.

Mr. PRICE of North Carolina. I wonder if the gentleman from Virginia (Mr. SCOTT) would put the chart back up giving the distribution of who benefits from these tax cuts, because on the talk shows these days you sometimes hear it said, well, of course, the tax cuts are mainly going to benefit the wealthy because they are the ones that pay the taxes. As a matter of fact, is it not true that this tax cut compounds the advantage of the wealthy? It does not just mirror their advantage.

For example, if you look just at millionaires, millionaires in this country pay 19 percent of the income taxes, but what percent of this tax cut do you think they get? Twenty-seven percent. They get 27 percent of the tax cut; they pay 19 percent of the taxes. So it just does not wash to say, well, they are paying more taxes, so naturally they get a better tax cut.

The fact is this is a grossly unfair tax cut, and it targets those in the upper brackets. That is not fair, but it also does not do what needs to be done in terms of turning this economy around.

Mr. SCOTT of Virginia. Mr. Speaker, this chart shows that the top one percent get half the tax cut that we enacted in 2001. The people in the lower brackets who are more likely to spend the money and stimulate the economy, you can hardly see the lines that they get. The top 20 percent get the lion's share of the tax cut and virtually nothing on down. All of the studies show if you give money to those who are most likely to spend it, you will stimulate the economy.

Mr. PRICE of North Carolina. I thank the gentleman for a very fine presentation.

I yield to the gentleman from Connecticut (Mr. LARSON).

Mr. LARSON of Connecticut. Mr. Speaker, again noting the chart there, I just want to point out that certainly it is true that most individuals are happy to get any form of a tax cut from their government. That is an indisputable truth. People like to receive a tax cut. When I go home to my district and talk to people about a tax cut, they are generally enthused, even if it is a modest amount. But when you explain to them the ramification of this tax cut, the enormity of the tax cut, the extended amount of time, and then what will have to be sacrificed in order to achieve that goal, it is an entirely different story.

People back in my district in Connecticut have a lot of common sense. They understand that you cannot have it all. We cannot possibly prosecute the war in Afghanistan, the war against terror, the war against Iraq and not sacrifice. And yet seemingly with both our budget proposals and now our tax cuts we are asking people to sacrifice. The people we are asking to sacrifice are the veterans, the elderly in need of prescription drugs, the towns and States as have been enumerated here today that desperately need town aid so they will not have to raise local taxes or cut programs and close schools, the communities that need school construction funds, the amount of money that will not be available for special education, that we will continue to underfund that program, a Federal commitment. We have enough money to provide a tax cut for the wealthiest 1 percent, but not enough to take care of those in the shadows of life, those in the dawn of life, and those in the twilight of life as Hubert Humphrey would so eloquently talk about.

So tomorrow we are seeing a philosophical debate on the direction and focus of this Nation. And what the Nation stands for in a time of sacrifice when men and women are truly sacrificing their lives overseas to defend our vital freedoms for what? When they come home and face the devastating deficits and the problematic concerns that that will raise for each and every one of their children as we project these deficits out into the future.

This is an outrage. We do not have the megaphone here. We cannot even get a small voice because of how our Committee on Rules allocates time for people to come to the floor. I commend the gentleman from North Carolina (Mr. PRICE), always able to articulate in a very intelligent manner the disparity that exists here and providing the intellectual underpinnings hopefully so the other voices in America besides the right wing and talk radio get the message out here to the American public what is absolutely happening to them.

People understand you cannot have it all. What the Democratic proposal demonstrates is that knowing that and knowing that we are going to have to sacrifice, should we not make sure that there is money there for prescription drugs, for school construction, for Social Security, for Medicare, Medicaid. Our hospitals are crying to us because of the needs that they have to take care of the population that comes to our urban and rural hospitals on a daily basis. I thank the gentleman for his strong voice here on the floor.

Mr. PRICE of North Carolina. Mr. Speaker, the gentleman is absolutely right. As to the pressing nature of these needs, many of them carry out of the State level at the time that our States are flat on their back fiscally, and our Republican friends are offering no help in that regard whatsoever.

The gentleman talks about tax cuts. And we know people would rather pay less taxes than more. We are all pleased when we can offer tax cuts; but it does matter what kind of tax cuts.

Mr. LARSON of Connecticut. Ask them if they would like to see a veteran get his benefits. Would they forego a tax cut to see veterans get their benefits? These are the questions the American public needs to ask themselves. Would you forego the tax cut so your parents could have prescription drugs? Would you forego a tax cut so you did not have to raise local property taxes and actually provide school construction or lessen the burden that school districts have to pay because of special education? Would you be willing to forego that tax cut if we were reinvesting in our infrastructure and providing jobs for people? That is what the Democratic proposal is all about.

Mr. PRICE of North Carolina. Sure and that is what we need to face. If you are going to have tax cuts then, for goodness sake, have the honesty and the integrity to pay for those tax cuts so it is not coming out of the hide of the most vulnerable among us.

There are some tax cuts in the Democratic proposal, but they are aimed at the broad middle class in this country. They were designed to stimulate the economy and they are paid for. And in all three of those respects they contrast with these upper-bracket tax cuts which our Republican friends are trying to peddle as an economic stimulus when I do not know any economist who is going to tell you you get much bang for the buck from cutting the tax on dividends for goodness sake. The estimate I have heard is 9 cents on the dollar. That is not a very good return.

Mr. LARSON of Connecticut. The gentleman is absolutely right. I could not agree more with him. To quote our leader as she often says, ''These are both fair and fast-acting and fiscally responsible.''

That is the alternative that is being presented tomorrow. It is up to us to get back to our districts and talk to people. I have held town hearings on these issues which I think are vitally important so that average citizens get to speak up.

They get it when they see the choice. Tomorrow is going to be an orchestrated event whereby a proposal will be jammed down the minority's throat with maybe an hour of debate on an issue that is this important to the American citizens.

We owe it, Democrat and Republican alike, to go back to our districts and say during this time of national crisis as we are fighting terrorism, ask them plainly and clearly, would you forego a tax cut so that you get prescription drugs for the people that need them? So that the veterans can get their benefits? So that school buildings could be paid for and technologically upgraded? So that the special education students would get their fair share of money, lessening the burdens on our local communities and States?

It is great to pat yourself on the back here and say you gave a tax cut, but our tax cuts here become their tax increases back home with a suffering burden that none of our States and municipalities can afford at this time.

Mr. PRICE of North Carolina. Mr. Speaker, I thank the gentleman.

Before we run out of time, I want to turn to one of our most passionate and effective advocates in the House, the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Speaker, I would like to thank the gentleman from North Carolina (Mr. PRICE) for organizing this stellar Special Order this evening on the important question of economic stimulus and recovery for our people and join with all of my able colleagues, the gentleman from Virginia (Mr. SCOTT), the gentleman from Connecticut (Mr. LARSON), and others this evening.

I just wanted to mention jobs, J-O-B-S; and the Republican tax cut bill is a job killer. There is plenty of evidence that this plan is merely a repeat of what happened in 2001 in this Congress, in the first Bush tax bill that came before us where now we have lost 3 million more jobs across this country.

It is also a debt-accumulator bill. This tax bill is not going to balance the budget. It is going to increase the deficit. I always thought Republicans were budget balancers. That is what Republicans used to be. They are not that anymore. And I just wanted to point out back in 1981 when Congressman DICK CHENEY was a Member of this House, I came here 2 years later in the midst of the worst recession America had faced since the Great Depression. July 29, 1981, when Mr. CHENEY chaired the Republican Policy Committee here, a bill was passed that they called the 1981 tax cut bill. And in the following 2 years, millions of Americans were thrown on to unemployment lines; and I became part of a class to try to restore economic integrity to this country. It took us almost 20 years until Bill Clinton became President of the United States. And in 1993, 1996, we began to restore those surpluses that the gentleman from Virginia (Mr. SCOTT) referenced.

In 2001 under the first Bush plan, the gentleman from California (Mr. THOMAS) said here, ''By moving quickly our hope is to have both monetary and fiscal policy pull this economy out of its nose dive.''

And again, now, we have another job-killer bill. We had a job-killer bill in 1981. We had a job-killer bill in 2001, and now we will have another job-killer bill brought up on this floor tomorrow. It seems to me that one thing Democrats stand for is full employment and good jobs. We should reject this bill tomorrow. It is a repeat of the same old hash they gave us back in 1981 and they gave us in 2001. We should not be snookered for the third time.

Mr. PRICE of North Carolina. Mr. Speaker, I thank the gentlewoman, and I want to thank all of my colleagues who were part of this Special Order tonight.

Often we have very heated debates in this House and we have a good bit of rhetoric filling the air; sometimes there may even be an exaggeration or two. But I must say with respect to this bill tomorrow and with respect to our fiscal situation, we are not exaggerating. We are not exaggerating the danger we face. We are not exaggerating the unprecedented character of the risks that are being taken with our fiscal future by this administration and by the leadership of this House.

□ 2015

We are not exaggerating the differences between the parties.

There is a simple three-point test that any proposal ought to be able to pass: Is it effective? Does it stimulate the economy? Is it broad based and fair? Is it fiscally responsible? The two plans before us tomorrow could not be more opposed or more different in the way those basic questions are answered.

So I thank all of my colleagues for helping us line this out tonight and address our colleagues about this critical debate. It is not an exaggeration to say that our fiscal future is on the line, and I appreciate all those who have helped point that out so forcefully this evening.

Mr. HINOJOSA. Mr. Speaker, I rise today to discuss the tax proposal the House Ways and Means Committee approved on a party-line vote of 24–15 last Tuesday. I believe that

what the committee reported to the House floor is flawed, misguided and will harm our American economy now and for generations to come.

I agree with Ways and Means Committee Chairman THOMAS's assertion during the committee's consideration of the tax bill that, ''Congress must take bold steps to spur economic expansion, create more jobs for workers, better opportunities for families and bigger paychecks for all Americans.'' I agree with that. But, I strongly disagree with the ways and means by which he intends to accomplish these goals.

Mr. THOMAS's bill focuses tax relief on the wealthiest 1 percent of the population by providing tax cuts mainly on stock dividends and capital gains. Many economists have rated this proposal as very ineffective in stimulating the economy. It would be more appropriate to provide an immediate increase in the child tax credit, marriage penalty relief and the expansion of the 10-percent tax bracket.

With deficits soaring, the last thing our government should be doing is proposing major tax cuts that do not spur economic growth. Our government would be borrowing to finance the revenue losses associated with the tax cuts for years to come. Furthermore, Chairman THOMAS's proposal fails to include support for state and local governments. It crowds out Federal investment in education, training, infrastructure, and research and development to pay for their tax cuts for the wealthy.

Next year, the GOP tax plan gives tax cuts totaling approximately $44 billion to those making over $374,000 a year, while their budget provides $9.7 billion less than the amount promised in the No Child Left Behind Act for educating our children.

The Thomas plan also allows the extended unemployment benefits program to expire May 31, 2003, leading to millions of families being denied needed unemployment insurance.

Not only would extending benefits help the families of nearly 5 million out-of-work Americans pay their bills, it would also efficiently jumpstart the economy by putting money into the pockets of consumers who will spend it.

I urge my colleagues to defeat this plan when it comes to the floor of the House.

Mr. PRICE of North Carolina. Mr. Speaker, I yield back the balance of my time.

REPUBLICANS' JOBS AND GROWTH PACKAGE

The SPEAKER pro tempore (Mr. MARIO DIAZ-BALART of Florida). Under the Speaker's announced policy of January 7, 2003, the gentleman from South Carolina (Mr. WILSON) is recognized for 60 minutes as the designee of the majority leader.

Mr. WILSON of South Carolina. Mr. Speaker, I rise tonight with several of my colleagues in support of the Republicans' jobs and growth package, H.R. 2, which we are scheduled to vote on tomorrow; and in fact, this vote is so important, I am really going to be missing a very significant event in South Carolina.

We are very proud that President George W. Bush is going to be commencement speaker tomorrow at the University of South Carolina for graduation. I am just so proud of our president there, President Sorenson, what he has done for our institution, the trustees, Mack Whittle, Miles Loaholt, Mark Buyck, Eddie Floyd. They are working so hard to make the University of South Carolina, my alma mater from law school, one of the best universities in the United States; and certainly having our President there tomorrow, I am just so proud, and I know that my wife, Roxanne, will be right on the front row with our sons Julian and Hunter and Alan to encourage the President.

Our economy is hurting and it needs an immediate boost. House Republicans believe the best way to get the economy back on track is to allow Americans to keep more of their own money, and I heard a few minutes ago that indeed it was not the public's money, it was not the people's money; but I know so well that, indeed, it is the people's money, and that is the first fact that we should address; and I appreciate good people like Jerry Bell of the Lexington County Chronicle making that point almost every week in his publication.

This will give the economy an immediate shot in the arm by accelerating tax relief from the marriage penalty, increasing the child tax credit and providing working families with more of their hard-earned dollars through accelerated income tax relief.

Furthermore, with sizeable, long-term tax relief on capital, businesses will receive investment incentives that will help create more jobs. This Republican plan is estimated to create 1.2 million jobs by the end of 2004 alone and will create many more in the years to come.

On the other side of the aisle, House Democrats are talking about a government growth package. It busts a $30 billion hole in the budget, guts the Republican child tax credit increases, and it weakens job growth by watering down Republican tax relief for small businesses. Once again, the Democrats' answer to every problem, raise taxes and spend more.

Americans are already overtaxed. Americans for Tax Reform, an invaluable nonprofit group headed by the visionary Grover Norquist, has tracked the tax burden in a way that puts it in proper perspective. Each year, Americans for Tax Reform determines the cost to government date which is the average date at which every American worker has earned enough to pay his or her share of taxes imposed by Federal, State and local governments. The cost to government date 2002 was July 1, representing the largest tax burden since 1996.

Today, we are working a full 6 months just to give Uncle Sam his yearly check before we can even begin to earn enough to pay for food, health care, medicine, housing, clothing, college tuition, car payments and all the other needs that we have to provide for our families.

My friend and former Congressman, the gentleman from Oklahoma (Mr. WATTS), put it best when he said, ''Americans are taxed when we turn on a light. We are taxed when we use the phone. We are taxed when we eat lunch. We are taxed when we do brunch. Moms are taxed at the gas pump when they fill the tank to drive the kids home from a little league game. Dads are taxed when they try to save a few bucks for retirement in order to provide for their families, and Grandma and Grandpa are taxed for having the audacity to die.''

Ronald Reagan was even more blunt and always correct when he described the government's economic policy this way, ''If it moves, tax it.''

President George W. Bush understands that Americans are overtaxed. President Bush also understands that the only way to increase jobs in America is to allow individuals and small businesses to keep more of their own money to invest in our economy.

The gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means, has crafted a very wise and sensible bill that takes the best solutions of President Bush's proposals, and I urge all of my colleagues to vote for this bill tomorrow.

Americans have given Republicans a tremendous opportunity to lead on issues that affect every working family. We must not squander this moment and work to bring them real tax relief. Let us hold true to the commission given by President Ronald Reagan.

We need true tax reform that will at least make a start toward restoring for our children the American Dream, that wealth is denied to no one, that each individual has the right to fly as high as his strength and ability will take him.

At this time, I will be yielding to the gentleman from North Carolina (Mr. HAYES). He is a very respected member on the Committee on Armed Services. He also serves on the Committee on Transportation and Infrastructure, the Committee on Agriculture; and I know firsthand the respect that his constituents have for him.

Last year, I went with my sons Julian and Hunter door to door in his hometown of Concord, North Carolina; and that is where one really finds out what people think of their local Congressman, and I found out that he was a person who was well thought of. He was highly respected and my colleagues will see tonight what a knowledgeable and fine person the Congressman from North Carolina is.

Mr. HAYES. Mr. Speaker, I want to thank my good friend and colleague, the gentleman from South Carolina (Mr. WILSON), for yielding time; and if I may, I would like my colleague to yield just a few moments of time to the gentleman from Pennsylvania (Mr. MURPHY), who has a very important issue that he wants to raise before we continue to discuss the important issue of how can we in the U.S. Congress

allow our folks back home to keep more of their own money.

Mr. MURPHY. Mr. Speaker, will the gentleman yield?

Mr. WILSON of South Carolina. I yield to the gentleman from Pennsylvania.

SUICIDE AWARENESS WEEK

Mr. MURPHY. Mr. Speaker, I appreciate the gentleman yielding to me.

These issues about creating jobs and dealing with the economy are extremely important to families. I would just like to take a couple of moments to talk about another important issue to families.

Later on the floor this evening, one of our other colleagues, the gentlewoman from California (Mrs. NAPOLITANO), will also be speaking; and she and I have been working together to establish a Mental Health Caucus in the U.S. Congress, and I am proud to co-chair that caucus with her.

The goal of the Mental Health Caucus is to raise awareness both in Congress and among the public of the importance of mental health; and it is fitting that this week we speak because it is Suicide Awareness Week, and it is really the first issue that this caucus is taking up on speaking on the floor.

Every 18 minutes someone in this country takes their own life, and suicide is the 11th leading cause of death in the United States and third leading cause of death among 15- to 24-year-olds. The American Society of Suicidology found that 4 to 8 percent of adolescents attempted suicide within the last 12 months, and data from the Centers for Disease Control and Prevention indicate that half a million teens attempt suicide each year.

In 2000, suicide attempts outnumbered homicides by five to three. In that same year, in my home State of Pennsylvania, 1,356 people took their own lives. As a psychologist, a husband and a father, I find these numbers disturbing, as does everybody else who works in this Chamber.

Everyone knows someone who has been depressed in any given year. In fact, about one out of every 10 adults in this country suffers from some form of depression. Every family knows someone who has suffered from this. For those suffering from severe depression, without treatment, nearly one in six will commit suicide.

The good news is that suicide can be prevented if one recognizes the signs. People commit suicide when they are overwhelmed with a sense of hopelessness and are unable to see alternative solutions to problems. Suicidal behavior is often linked to depression or drug or alcohol abuse. These are not the worried well, but these are people whose life circumstances are overwhelming or they have a physiologically based depression or mental illness that leaves them feeling that the only way to end their pain is to end their life.

Those who have suffered the loss of a loved one from suicide know the pain does not end with death. The family members and friends will feel the loss, perhaps triggering their own life struggle to come to terms.

When someone tells you they are thinking of suicide, it is very important that everyone take them seriously and get them professional and medical help. In fact, if someone has reason to believe that, they should call 911 or the national suicide hotline which is 1–800–SUICIDE.

I would like to mention other dangers include talks of hopelessness, helplessness, worthlessness, preoccupation with death, loss of interest in things that a person cares about or giving away valued objects as if preparing to say good-bye.

In sum, danger signs may also take the form of engaging in risky or dangerous behavior, like teens who take too many chances with fast cars or drugs or alcohol.

I would like to highlight for just a moment here some of the things happening in my home State. Since the 1980s, Pennsylvania has made a strong effort towards preventing suicide in youth. The Commonwealth Student Assistance Program was created in 1985; and core teams in each secondary school consist of teachers, principals, school counselors, school nurses, psychologists and social workers from this program called SAP; and they work with identifying students and helping them.

They also have Service for Teens at Risk, otherwise known as STAR, to address problems of teen suicide and violence. They serve children in Pennsylvania and West Virginia.

I would like to make one other note here, too, that although I focused on suicide among our youth, a common misperception is that suicide rates are highest among the young. However, it is the elderly, particularly elder white males, with the highest rates. White men, 85 and older, have suicide rates of six times that of the overall national rate.

If we are going to address the problems of suicide, everyone needs to recognize the warning signs. Parents need to talk to their children. Adults and others need to talk to their parents.

This brings us to the underlying important issue of mental health care. Without question, having major depression increases the risk for suicide, and anyone suffering from depression in this country must recognize that depression is a treatable disorder; and we in Congress can do more to improve access to mental health care.

I know that others will be talking about this later tonight, and I appreciate the gentleman yielding on this during this important time when we are speaking about families on many levels. It is important to know we do care about the family on every level, what happens to them mentally and emotionally, socially, economically. All these things are the business of Congress, and they are the business of government; and, again, I thank the gentleman for the time.

At this point, I will insert for the RECORD my full statement.

I join my colleagues on the floor tonight to call attention to a health care epidemic that claims the lives of three-quarters of a million Americans a year: suicide. This is ''Suicide Awareness Week,'' and it's an important reminder why it's so important for parents, educators, and children to learn the signs of depression and suicide.

I'd like to first take a moment to thank my colleague, Mrs. NAPOLITANO of California, for her hard work in establishing the Congressional Mental Health Caucus, and I'm proud to be co-chair of that Caucus with her. The goal of the Mental Health Caucus is to raise awareness, both in Congress and among the public, of the importance of mental health.

It is fitting that suicide awareness is the first issue that the Caucus takes up by speaking on the Floor today. Every 18 minutes, someone in this country takes their own life. Suicide is the 11th leading cause of death in the United States, and the 3rd leading cause of death among 15–24 year olds. The American Society of Suicidology found that 4 to 8 percent of adolescents attempted suicide within the last twelve months. Data from the Centers for Disease Control and Prevention indicates that a half-million teens attempt suicide each year. In 2000, suicide deaths outnumbered homicides by 5 to 3, and that same year in my home state of Pennsylvania, 1,356 people took their own lives. As a psychologist, a husband, a father, I find these numbers deeply disturbing. Everyone in this Chamber knows someone who had been depressed—in any given year, about 1 out of every 10 adults in this country suffer from some form of depression. For those suffering from severe depression, without treatment nearly one in six will commit suicide.

The good news is that suicide can be prevented if you recognize the signs. People commit suicide when they are overwhelmed with a sense of hopelessness and unable to see alternative solutions to problems. Suicidal behavior is often linked to depression or drug and alcohol abuse. These are not the ''worried well,'' but a person whose life's circumstances of physiologically-based depression or mental illness leaves them feeling that the only way to end their pain is to end their life. Those who have suffered the loss of a loved one from suicide know that the pain does not end with death. Family members and friends will feel the loss—perhaps triggering their own lifelong struggle to come to terms with the loss.

If someone tells you they are thinking about suicide, you should take them seriously and get them professional medical help immediately. If you have any reason to believe that someone is in imminent danger of harming him or herself, call 911 or the national suicide hotline, 1–800–SUICIDE. Other danger signs include talking about hopelessness, helplessness, or worthlessness; preoccupation with death, loss of interest in things that a person cares about, or giving away valued objects as if preparing to ''say goodbye.'' In some, danger signs may also take the form of engaging in risky or dangerous behavior.

I'd like to take a few minutes to highlight some of the efforts my home State, Pennsylvania, has undertaken. Since the 1980's, Pennsylvania has made strong efforts toward

preventing youth suicide. The Commonwealth Student Assistance Program (SAP) was created in 1985 and operates in all 501 school districts. Every secondary school building is required to have a student assistance program. Core teams in each secondary school, consisting of teachers, principals, school counselors, school nurses, psychologists, social workers, and community liaisons from mental health and drug and alcohol agencies assist in identifying students at risk for suicide or other behavioral health problems.

I am also proud of the accomplishments of the Services for Teens at Risk, commonly abbreviated as STAR-Center, in addressing problems related to youth suicide, depression, and violence. STAR-Center began in Pittsburgh in 1986, and is affiliated with the Western Psychiatric Institute and Clinic. The Center's clinic serves patients in West Virginia, Ohio, and Pennsylvania, and since 1996 has treated over 6,400 children and adolescents at risk for suicide. Through its outreach program STAR-Center goes into communities throughout Pennsylvania to address suicide, depression, and other mental health issues our teens may face. And when a suicide or other tragedy does occur, STAR-Center staff consults with educators on how to provide postvention services. This is particularly important given the traumatic impact the death of a fellow student can have on his or her peers. The center also publishes STAR-Center Link, a newsletter featuring best practices on mental health treatment and violence prevention, and its ''Survivors of Suicide'' program is nationally recognized. I'd personally like to thank the staff of STAR-Center for their dedication to our youth.

Although I've focused a lot on suicide among our youth, one common misperception is that suicide rates are highest among the young. However, it is the elderly, particularly older white males, who have the highest rates. White men 85 and older have suicide rate that is six times that of the overall national rate. If we are going to address the problem of suicide, everyone needs to learn to recognize the warning signs, parents need to talk to their children, and adult children need to talk to their parents.

This brings us to the important underlying issue, mental health care. Without question, having major depression increases the risk for suicide. Anyone suffering from depression in this country must recognize that depression is a treatable disorder. And we here in Congress can do more to improve access to mental health care. Legislation has been introduced in the House to provide for Mental Health Parity, H.R. 953. I am proud to be a co-sponsor of this legislation, and I hope my colleagues will support this bill as well.

JOBS AND GROWTH PACKAGE

Mr. HAYES. Mr. Speaker, I thank the gentleman for bringing to our attention a vitally important part of our attempt to do everything we can for families in America, to strengthen those families and to provide them with the wherewithal they need to support this great country.

The gentleman from South Carolina (Colonel WILSON) did spend time in my district. The gentleman's district and mine are very similar. We have some large cities, Columbia and Charlotte, Fayetteville; but we also have a tremendous amount of rural America that we represent in our districts, and as the gentleman and I spend time listening to our constituents, the themes are clear and consistent. National security and economic security through good jobs are the two issues that are on people's minds.

I continue to refer to the gentleman as our colonel because our Armed Forces have distinguished themselves in ways heretofore never known. We are talking about the economy and jobs tonight, not only because it is so vitally important, but because we are in the midst of a period of trial in America, the likes of which we have never seen.

September 11, 2001, no one ever thought that would happen. The terror, the horror of that still sticks with us, our people, our families, and, yes, our economy. We are fighting a war on terrorism very successfully, and that is a most appropriate use of the money that our constituents work so hard to earn. That is a big issue as we discuss what tomorrow will be, a jobs creation, economic stimulus package.

It is not a complicated matter. Whose money are we here discussing tonight? Are we discussing the government's money? I do not think so. The last time I checked, the government had no money except that money which was sent to us by our people back home.

That being true, then the question very simply is, Whom do the people trust to spend that money most wisely? In my case, we do not talk in my district, and I am sure it is the same in my colleague's, that much about Democrats and Republicans, because obviously both constituencies are vitally important; and the Democrats in my district are very conservative. They care about their families. They care about education. They care about jobs.

□ 2030

Mr. Speaker, as I and other Members of Congress empower and enable our people at home to keep more of their money to spend on their education, their needs, then that money goes straight into the economy because there is not only a need for services and goods, there is the financial ability to buy those goods and services.

Here we have a chart. This is the essence of our discussion tonight, creating new jobs. How do we do it? Fulfilling America's promise of a bright financial future for us, but more especially for future generations. I have a new granddaughter, 3 weeks last Monday night. Members can rest assured, I am concerned about future generations.

The package that we are considering and will pass tomorrow creates over a million new jobs. A million new jobs or zero. What is the choice?

Mr. WILSON of South Carolina. Mr. Speaker, I appreciate the gentleman bringing up the point about jobs.

Joining us in this discussion is the gentleman from Pennsylvania (Mr. MURPHY). I am very proud that he is a member of the Committee on Financial Services and the Committee on Government Reform. Additionally he serves on the Committee on Veterans' Affairs. He is a freshman, but as a freshman he has been the most recent of being truly in a tough campaign and finding out what the people think. I look forward to joining the Mental Health Caucus along with the gentleman. I am proud that the gentleman has taken that lead, and I yield to the gentleman from Pennsylvania (Mr. MURPHY).

Mr. MURPHY. Mr. Speaker, when I came to this town I found it to be very different. Back in Pennsylvania, it is not always one of those things that has such partisan disagreements as Republicans or Democrats or Independents. It is a matter of talking with people and finding out what is important to them. In that I would just like to relate a couple things. Whether it is rural communities in Washington County, Pennsylvania, or towns that are struggling along in Allegheny County, Pennsylvania, but Americans are concerned about basic things for their family. I hear them say they want some of their tax money back. Some of the issues that are going to be discussed in upcoming votes about increasing the child credit to a thousand dollars, to eliminate the marriage penalty, are so important to families so they can have money for rent, mortgages, and groceries. It is important because they know what their families need.

Here we are battling within the Beltway, and most Americans do not care about Republicans or Democrats. They care about doing the right thing for their family. When they go to bed at night and when they wake up in the morning, that is what they are concerned about. Whether they have decent jobs is a big part of that. Some of the things that are so important are in this job package.

They included aspects which will help small business. Having owned a small business for a few years, I know how important those aspects are. Again, many Americans may not appreciate such concepts as depreciation or small business expensing, but when you are a small business owner and you are taking the money that is really your family's money and investing it to create jobs for other employees, whether it is buying equipment, whether it is a computer or desk or building new office space, that is money that the family cannot use. They are making an investment, and when government says we would like you to take some of that money to create jobs, it means a tremendous amount to families to do that.

I hope we can lay down the arms of battle and pick up the arms that embrace jobs, and do what is right for families. I believe many of these things here, again when we go back to the streets and the farms of America and ask them what they think, they like

these ideas of creating new jobs and bringing some of that money back home so they can do what is best for their families.

Mr. WILSON of South Carolina. Mr. Speaker, I thank the gentleman for his input. For a person who is leading a young family, the gentleman is making a difference trying to protect them for the future.

As we discuss H.R. 2 tomorrow, the Jobs and Growth Tax Act of 2003, we are going to hear a lot of scare tactics and misinformation, but I would like to go over what the different points are of the act because I believe the American people will understand that this is beneficial again in creating jobs, creating opportunities for our young people, for persons of all ages to have a better life. I am so pleased that we have an opportunity to discuss it tonight, and then tomorrow to vote on it.

The first point about the acceleration of the 2001 tax relief for individuals, the President achieved an historic cut in taxes, and this is being accelerated.

The first point about the child credit, this will increase the child credit to $1,000 for 2003, 2004, and 2005. I am so aware of the costs, having raised 4 children myself, along with my wife Roxanne, and I know how helpful this is going to be to young families as they are able to care for their children and give them the opportunities they want.

The 10 percent bracket, this will accelerate the expansion of the 10 percent bracket for 2003, 2004 and 2005.

Marriage penalty relief, this accelerates the expansion of the 15 percent bracket and the increase in the standard deduction for married persons filing joint returns, again in the years 2003, for immediate relief, 2004 and 2005.

Individual rate cuts, this accelerates the 2006 individual rate cut scheduled for 2003 retroactively. That means that immediately the people of the United States will receive benefits, and families could receive a benefit on average of $1,048. This is real money to families, and so helpful to raising children and meeting the needs that we have of car payments, mortgage payments, and medical bills.

The increase in the individual alternative minimum tax, the exemption amount, this will be increased by $7,500 for single persons and $15,000 for joint filers in 2003, 2004, and 2005.

To help create the jobs, the business investment incentives that are in the bill which will be voted on tomorrow, first is bonus depreciation. This will increase the bonus depreciation from 30 to 50 percent and extend it through December 31, 2005. This will encourage businesses to buy equipment to increase manufacturing which creates jobs. I want to commend the gentleman from Illinois (Mr. WELLER), who helped lead the effort to provide for the bonus depreciation increase so that small businesses could grow.

Then we have small business expensing for 2003 through 2007. That is an increase in the amount small businesses can expense. That would be immediately to from $25,000 to $100,000. It increases the definition of small business from $200,000 for capital purchases to $400,000, and the provisions are indexed for inflation.

We all know that the backbone of business in America are small businesses. They provide in my State 85 percent of the employment. They are 99 percent of the businesses. So this is something I really am so pleased to have the support of the National Federation of Independent Businesses. We have excellent groups like NFIB which are letting Americans know how beneficial this will be.

There is another business investment incentive and that is the net operating loss carryback which will extend the net operating loss carryback for 3 years, 2003 to 2005, and holds taxpayers harmless for the alternative minimum tax.

Finally, another provision which will be voted on tomorrow is the dividend and capital gain tax reduction. This will reduce the tax rate on dividends and capital gains to 5 percent to taxpayers in the lowest tax bracket, and to 15 percent to all other taxpayers.

I had an opportunity yesterday to meet Rick Wagner, who is the CEO of General Motors. In his presentation he indicated that there would be an increase in the value of the stock market of between 6 to 15 percent. This is hundreds of millions of dollars, billions of dollars which will benefit the American public.

In fact, the dividend reductions in taxes, a majority of that are for the senior citizens of the United States. So I am so pleased that Mr. Wagner, who is building a home in Daufuskie Island in South Carolina, we welcome somebody who has been such an aggressive promoter of reducing taxes on the American people and to increase the value of the stock market, to increase and give incentives for more investment, more jobs for the American people.

Those are the facts that are very clear. I know and I apologize if it sounded like I was an accountant, and I love accountants, but the American people need to know the facts. They will hear other information. The bottom line is this is beneficial to the American taxpayer.

Mr. Speaker, I yield to the gentleman from North Carolina (Mr. HAYES).

Mr. HAYES. Mr. Speaker, I might ask a series of questions, and ask that the chart with the tax breakdown be put up on the easel. The gentleman did a wonderful job of outlining the specific areas in which money would be created and put into the economy. The gentleman indicated all of the different pluses of this stimulus package.

I think it would be instructive at this point in time to see where that money comes from. If you would point to the bottom figure, the top 50 percent pays 96.09 percent of the tax bill. So if we are going to give people more of their own money back, we have to go where that money is in order to supply a stimulus, that fuel for the economic engine that creates jobs and creates revenue to drive this wonderful country forward. So I think it is very instructive for people to look at that as we continue this discussion.

Earlier our colleagues on the other side of the aisle I think made just a little difference in the way you and I would look at things. Trying to phrase this kindly, we talk about deficits. You and I and the people in Columbia and Concord hate deficits. They and you and I have to balance our checkbook every month. We cannot spend more than we have or serious problems occur. That is not a serious question. That needs to stay on the table. Everybody agrees on that.

The question becomes how do we create the revenue so this Federal Government can provide for the national defense of our young men and women who have done so well, and provide for the interstate highway system. There is the answer, we have to go where the money is. But our friends and folks at home would be interested to know that these new budget hawks, these new deficit reduction folks, and I am glad to see their new interest, there was a total a couple of weeks ago that was run up, a total of the amendments that they added to the budget bill. I have not seen it published, but the total of their additions, the folks that want to cut the deficit so and are so alarmed by the deficit, which we all hate, added over $1.6 trillion to that budget.

I trust the people at home. I trust them to see through the subterfuge. We talk about stimulating the economy and creating jobs. It is our people using their common sense to solve problems to create jobs and to grow that economy.

□ 2045

Do not fall for the tax and spend. They have never seen a tax hike that they did not like here.

Mr. WILSON of South Carolina. It is so obvious by the tax breakdown that the gentleman from North Carolina (Mr. HAYES) brought out and the points he brought out that we need to be promoting, as the President is doing, the jobs and economic growth plan. I want to quote the President's speech in Little Rock this week. He has clearly indicated that by growing the economy, that is how you reduce the deficit, not by spending more money, as the gentleman correctly indicated the other side is truly proposing, but to grow the economy. His direct quote was, ''In order to offset any deficit, you've got to have more revenues. The best way to have more revenues is to encourage economic growth. The more economic growth there is, the more people are working, the more likely it is that you're going to get more revenues into the Treasury of the United States, and also to the individual States. I'm concerned about the deficit but I'm first

and foremost concerned about that person looking for a job.'' That is what President Bush said this week in Little Rock, Arkansas. I am so proud that he has correctly identified what the gentleman just identified.

Mr. HAYES. If the gentleman will yield further, earlier tonight we heard our colleagues talk about sending more money back to the States. My first question to the gentleman from South Carolina is, are the States better off if they are allowed to keep their own money and spend it there or are they better off sending it to Washington, us taking part of it and then sending the remains back? What do the people back home tell the gentleman? I bet I know the answer.

Mr. WILSON of South Carolina. I had the great privilege of serving the people of South Carolina for 17 years in the State senate. In fact, the State budget is being debated probably as we speak tonight. I know that instead of just sending money back to the States, we have already had a revenue-sharing experience that did not work and so that is simply spending more money. What we need to do is what the President has proposed and, that is, create new jobs, create new opportunities for people to have incomes.

I know that in South Carolina, we are very proud about the expansion of Michelin Tire Corporation in Lexington, South Carolina. There are three plants there producing wonderful jobs and wonderful tires for the people of America. We have worked hard in our State to attract foreign economic investment. We are very proud that in Spartanburg in the community of Greer that we have the BMW facility. All Z–3s in the world are made there, the X–5s. Every time I have had the opportunity to travel, I have been very proud to know that we have had the economic expansion of BMW in our State providing jobs. That is what we are trying to do in the bill tomorrow with H.R. 2, and, that is, to encourage economic investment in the United States, to provide jobs and to give families the ability to spend their own money.

Mr. HAYES. I would like to ask the gentleman one more question. Another thing we heard earlier was that we are not helping the States. That is simply not true. Before the gentleman answers my question, let me make one more point. They talk about States who are cutting teachers and education, who are cutting prosecutors, who are cutting prison guards. My State is not cutting those vital services. They have choices to make. I do not want to send money back to States that are making those kinds of decisions. I do not think that is happening. But the gentleman has a chart before him that gives a good illustration of how we in Washington are working to help our States. Would the gentleman describe that to our listeners at home, please?

Mr. WILSON of South Carolina. This does indicate that under unemployment insurance, that the States have received $8 billion. This is from Federal funding. In 2002, only $2 billion of that was actually used. There was a surplus apparently of $6 billion. The bottom line is by creating jobs, what we are doing in the plan that we will be voting for tomorrow, we are providing for additional State revenue by sales tax. That is virtually a universal tax in the United States at most State levels and, that is, by providing for an increase in income, by a person having the ability to keep their own money, when they go to the store and buy products, when they are at Wal-Mart as I frequently am, that with the sales tax, that goes straight to the State. It goes for schools.

Additionally, I am so pleased that this package includes a reduction in the capital gains tax. I can tell the gentleman from firsthand experience, until 16 months ago I was a real estate attorney. I know that by reducing the capital gains tax, and this has been a cause of the chairman of the Committee on Ways and Means, the gentleman from California (Mr. THOMAS), for a number of years. By reducing the capital gains tax, this will help again create jobs. The first thing that will occur, because I ran into it, a number of people that I know, particularly elderly people, would not sell property they have, real property, because they felt like they were being overly taxed and they considered it an insult, whatever the percentage was. So by reducing it to 5 percent, what will occur is that people who are currently holding on to property simply because they do not want to pay a capital gains tax, they will sell that property. When they do sell the property, the first occurrence will be construction. I met with the homebuilders association this week. They are very supportive.

The AGC and the ABC, the various construction interests, are very pleased that if we can have a sale of property and the construction, the jobs are created. This also is going to benefit local governments and State governments in that having a turnover of real property, the taxes that are generated will go for schools. They will go for the services of local governments. This is going to be so beneficial because many people in our State, and I think this is true in other States, too, they will actually put goats or they will put a cow on some extraordinarily valuable property in the middle of an urban area. That is because they are able legitimately to qualify for an agricultural assessment.

When they get an agricultural assessment, they may pay $10 in taxes on that particular tract of land. But by having the reduction in the capital gains taxes, by having the sale of the property, by having the development of that property by construction of new businesses or homes, that will generate thousands of dollars, instead of $10 to the local governments, that can be used to build schools, to address the problems that we have in local government, that we have to produce the best schools that we can for our citizens. There is just so much positive in the bill that we will be voting on tomorrow.

I know that the gentleman probably has another question that he wants to ask me.

Mr. HAYES. I thank the gentleman again for his incredible leadership not only here tonight but back home in South Carolina, not only as a Congressman but as a colonel in our wonderful Armed Forces. I think it is appropriate that we close with our continued pride, support and absolute awe at the way they have conducted themselves. That is so important to the economy, to rid the world of terrorists. The costs that have been incurred, they have created hardships for all of us. But thanks to their ingenuity, their courage, their training, their bravery, their leadership, they have gone in and outthought and outfought a very, very difficult enemy. Now we have, because of their sacrifices, the opportunity to put this economy back on its feet, to put our people at home to work. I hope the McMillens in Hampton County are listening tonight. They are farming pretty hard so they may not be. I hope the folks in Richmond County, in Hoke County, all throughout the eighth district, are listening because they understand from the gentleman's leadership and his presentation the sound, commonsense approach that this jobs growth economic stimulus plan that the gentleman and I and others on this side of the aisle support so strongly, they understand and appreciate what that brings to our districts and to our economy.

Mr. Speaker, tonight we have heard the truth in a very clear, in a very concise, and in an understandable fashion. The presentation of the gentleman from South Carolina is responsible for that. I thank the gentleman for serving our country. I thank him for serving this Congress.

Mr. WILSON of South Carolina. Mr. Speaker, I want to conclude with some other points real quickly, that is, that the President's jobs and economic growth plan is designed to strengthen the economy by allowing Americans to keep more of their own money to spend, save, and invest by creating jobs. The President's plan to cut taxes and hold the line on government spending would grow the economy and ultimately reduce the deficit as stronger economic growth and job creation causes revenues to rise to meet the restrained level of spending.

At this time, too, I would like to, as we are concluding, indicate the various groups that are supportive of the bill tomorrow, H.R. 2. In fact, I would like to read a letter which was sent by the Tax Relief Coalition. There are hundreds and hundreds of organizations, in fact there are over 1,000, that are supporting the Jobs and Growth Tax Act of 2003. This is a letter again sent by the Tax Relief Coalition:

''On behalf of the more than 1,000 organizations and 1.8 million businesses of the Tax Relief Coalition, we urge you as a member of Congress to support the full elimination of the double taxation of dividends, the increase in the small business expensing allowance, and the acceleration of all the scheduled income tax rate reductions when the Committee on Ways and Means considers the economic growth reconciliation legislation. As companies and organizations representing businesses that employ tens of millions of Americans, we believe these provisions are necessary if we are to jumpstart the economy and put people back to work.

''The full elimination of the double taxation of dividends within the framework of a $550 billion tax relief package is achievable and will have a singularly positive effect on the economy in both the short term and the long term. It will spur consumer spending by putting more money in the hands of shareholders who will pay less in taxes, receive higher dividend payouts and accumulate increased wealth as a result of the upward pressure on stock prices. The resulting increased demand and lower cost of capital will sustain economic growth and create jobs as companies invest in the new equipment, build new plants and develop new products. Many economists also believe eliminating this double tax will boost the stock market from 10 to 20 percent.

''Since small businesses create two-thirds of the new jobs in the United States, the importance of the small business provisions of the President's proposal should not be underestimated. Approximately 85 percent of small business owners file tax returns as individuals and represent nearly 80 percent of the taxpayers at the top income bracket. Accelerating all of the scheduled income tax rate reductions to this year, 2003, will provide approximately $10 billion in tax savings to small businesses that file as individuals. Allowing small business owners to expense critical investments will facilitate economic expansion, so we urge you to support raising the small business expensing limit from $25,000 to $75,000 and indexing it for inflation. These changes will create savings for small businesses that will put money directly into the economy and create new jobs.

''Any proposal that does not include the critical small business provisions and result in the full elimination of the unfair double taxation on dividends will significantly compromise the economic benefits of the President's package and jeopardize the hundreds of thousands of new jobs that would otherwise be created.

''In our view, representing tens of millions of working Americans and businesses, if you do not include the dividend tax reduction and the critical small business provisions, the jobs and growth package will simply not have the same effect.

''This has been respectfully submitted by the Tax Relief Coalition.''

Mr. Speaker, I am just very honored to have been here tonight with the gentleman from North Carolina to present on behalf of nearly 1,000 business associations, businesses and other think tanks that are proposing that we reduce taxes and the tax burden on the American people. I just cannot wait until tomorrow, and I hope the American people follow the debate. I am confident that just as we had the debates following the tax increases of 1993, which when those tax increases were put in place that we heard were so good tonight, the immediate effect was that a Republican Congress was elected for the first time in over 40 years.

And so people do understand these issues. I know in the State of South Carolina that we understand those issues because, in fact, not only was there a new Republican majority in the House here in Washington, but for the first time since 1877 there was a Republican majority and the first Republican Speaker of the House of Representatives in the entire South, David Wilkins, was elected. The American people do understand these issues. We have gotten excellent leadership in our State and here in Washington. The Republicans then achieved a majority in the State Senate in 2001 for the first time since 1877 because people do understand the philosophical differences between the two parties. They understand that we as Republicans are working for limited government, expanded freedom. On the other side, they have tax-and-spend policies. They are well meaning, but they are wrong.

□ 2100

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HENSARLING). The Chair would generally remind Members to address their remarks to the Chair and not to those outside the Chamber.

GENERAL LEAVE

Mrs. NAPOLITANO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

MENTAL HEALTH CAUCUS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentlewoman from California (Mrs. NAPOLITANO) is recognized for 60 minutes as the designee of the minority leader.

Mrs. NAPOLITANO. Mr. Speaker, as the Democratic Chair of the bipartisan Congressional Mental Health Caucus, which we recently began, I am pleased to anchor at this time along with my Republican cochair, the gentleman from Pennsylvania (Mr. MURPHY), who spoke a few minutes. He was granted some time by my good friend to make his remarks, and I hope that he will be able to return.

Mr. Speaker, this week is National Suicide Awareness Week, and we want to highlight that fact. Approximately 30,000 people, 30,000 people, commit suicide in the United States every year, making suicide the 11th leading cause of death nationwide. Suicide is particularly a problem among young people, communities of color, and seniors. The States with the five highest suicide rates are Nevada, Wyoming, Montana, New Mexico, and Arizona.

Everyone should be screened by the health care providers in our schools for mental health and/or risk of suicide. Because of the associated stigma of the crazies, we cannot count on people to seek out help on their own. Another key point is our need for more mental health professionals to break down financial and language barriers to mental health.

Mr. Speaker, I will right now take the time to introduce the gentleman from Texas (Mr. RODRIGUEZ) to address this same issue.

Mr. RODRIGUEZ. Mr. Speaker, I would like to thank the gentlewoman from California (Mrs. NAPOLITANO) for taking this opportunity to talk about suicide and the mentally ill. I think one of the difficulties that we encounter is the fact that when it comes to the mentally ill, it is usually one of the last that we talk about, and in fact it is usually an afterthought in terms of providing resources that are drastically needed for not only for the mentally ill but for the issue in terms of preventing suicides.

Mental disorders are common in the United States, and we sometimes do not realize how common they are. There is an estimated 22 percent of Americans age 18 and older and one out of five adults who suffer from diagnosed mental disorders throughout a year. Tragically, mental disorder is often linked with suicide. Of the 29,350 people who died by suicide in the year 2000, more than 90 percent of the people who killed themselves have diagnosable mental disorders, commonly depressive disorders as well as substantive abuse disorders and other dual diagnoses.

At this time I would also like to focus my remarks on critical segments of our population, and that is our veterans. Today while we continue to deploy troops in Iraq, it is important to remember that the wounds of combat that would disable and harm our troops are not merely just physical. Many combat wounds will affect the minds, the brain, and the spirit of our Armed Forces and their loved ones. So often we forget that long after the visible battle wounds are healed, many veterans continue to suffer not only physically but also mentally. For our heroes of today as well as yesterday's

stress-related conditions like post-traumatic stress disorders, PTSD, and depression can be among the most chronic and disabling of the illnesses. For example, more than 30 percent of veterans, Vietnam veterans, have experienced PTSD at some point after the war experience. I have heard alarming statistics just the other day in some testimony on the House Committee on Veterans' Affairs, a witness testified that a great number of Vietnam veterans that did not die during Vietnam, of which we lost over 59,000 lives, committed suicide after they came back than soldiers lost in the battle in that conflict.

Given these alarming statistics, it is shameful that we have not appropriated sufficient funds to provide our heroes with the care that they need. From 1996 to 2000, programs for PTSD, or the homeless substantive abuse programs, and serious mental illness grew approximately 5.5 percent overall in the number of patients that they served, but the resources shrank approximately 13.5 percent for the budgets for the mentally ill that are veterans.

In addition to the painful experience of dealing with their mental disorders and especially PTSD and others, many of these veterans find themselves on the street. Homelessness is prevalent in this segment of veterans. A large number of displaced and at-risk veterans live with lingering effects of posttraumatic stress disorders and substance abuse, compounded by the lack of family and social support networks. Although accurate numbers are challenging to identify since no one really keeps the national records on homeless veterans, but the VA estimates that on any given night we will find 300,000 veterans that are homeless, and more than half a million experience homelessness throughout the course of any given year. This is important to note: Of the homeless that are out there, 40 percent report mental health problems.

In order to properly serve these veterans we must be committed to a comprehensive approach to the treatment and we must appropriate sufficient resources in dollars. Veterans need a coordinated effort that provides secure housing and nutritional meals; essential physical health care, substance abuse aftercare, and the mental health counseling; and personal development. And one of the things about substance abuse is a lot of the times the mentally ill, as they try to cope with their depression, as they try to meet and cope with the problems that they are encountering, they self-medicate, and that is why a lot of them go into substance abuse.

As a Member of the House Committee on Veterans' Affairs, I am proud of the work that we put forth and passed in Public Law 107–95, which is the Homeless Veterans Comprehensive Assistance Act, a year and a half ago, to properly address this shameful issue.

This truly comprehensive legislation sought to end homelessness among veterans within a decade, but we have got to continue to move forward. However, just this week we held an oversight hearing where we invited Deputy Secretary McKay to provide us a status report on the implementation of the Homeless Veterans Comprehensive Assistance Act.

The news is not that good. If we continue at this pace, we will not reach our goal in 10 years. Rather, it will take 25 years. This is not acceptable. Especially now after we have seen also the veterans from the Gulf war and now we have the veterans from Iraq, and we encounter to have veterans who are fighting the war on terrorism, we have to make sure that as they leave the Armed Forces that we are there for them, and I am disappointed that the VA has not moved on the critical programs such as the creation of special needs grants for women, veterans especially, and the chronically mentally ill, the ones who real seriously ill and need that service, as well as the fragile elderly and the terminal ill. We must move on the creation of specialized treatment programs for these veterans that are in need. These critical programs have not yet been designed, and it is difficult and it is hard, but we need to continue to move.

In closing, let me just say that I want to thank my colleagues once again for raising this issue and mentioning the importance of zeroing in on the issue of suicide and the issue of the mentally ill. As a social worker personally with clinical experience and training, I am proud to echo the concerns of my colleagues and to urge this body to devote adequate resources and to implement programs which speak to the needs that are before us and of those that are forgotten, yet critical segment of our society, and that is the mentally ill and those who commit suicide.

And I want to add one additional thing. As we talk about suicide, I know the gentlewoman from California (Mrs. NAPOLITANO) has done significant work for the Latino young ladies, Latinas, who are prone to commit suicide, in the need to reach out to our young. We have forgotten Columbine. We have forgotten the fact that we still have young people throughout this country that need assistance, and when it comes to our young, we have not done what we should do, and that is to make sure we have the programs to reach out to them. Most of the time throughout this country, the only resources they have is after they get into the criminal justice system. And that is too late. We need to make sure we have programs that reach out to our young.

I want to congratulate the gentlewoman from California (Mrs. NAPOLITANO) for her legislation and her efforts in providing that assistance in the area of Latina suicide and health care.

One of the other areas that I would like to mention that sometimes goes unnoticed, and that is the issue of depression. As people suffer from depression, women and young, men, young people and the elderly, it is an issue that we do not see as a mental health issue, but it is an issue that hits us without us realizing it. Just like the work burnout. By the time one realizes it, they have gotten into trouble, and a lot of times people lose their jobs because they get burned out and do not have the energy. But people suffer from depression, and it is important for us to work on those areas.

And I just want to mention one other item because I think it is important. As we look at the issue of terrorism and as we look at the problems and the things that we have been confronted with, what has occurred here not only at the Pentagon but what has occurred in New York, those in individuals in New York, those individuals at the Pentagon, as well as others, we need to make sure we reach out to them because they have experienced what a lot of us have not, and in so doing, they are also going to be suffering from nightmares. They are also going to be suffering from coping with a situation that they themselves went through, and so they are going to be having what we might consider post-traumatic stress disorders of which they need to be able to deal with. So as a society and as a community in these United States, we need to put the resources in those areas. And once again I want to thank the gentlewoman from California (Mrs. NAPOLITANO) for having taken the time for us to be here tonight and I want to congratulate her in bringing up this issue that is usually left in the back burner.

Mr. Speaker, when we talk about health care a lot of times as an afterthought we talk about mental health, and that is unfortunate. We really need to put that on the front burner. We need to make sure we bring it forth and provide the resources. I thank the gentlewoman for having me here tonight.

Mrs. NAPOLITANO. I thank the gentleman from Texas (Mr. RODRIGUEZ). Mr. Speaker, I think he has made some very valid points, and I want to elaborate a little more on that, in that more than one third of our veterans need psychiatric care, most, as the gentleman has stressed, for the PTSD, posttraumatic stress disorder, and unfortunately the Veterans Administration's spending for mental health care has decreased since 1996 by a whopping 23 percent, almost a quarter. Veterans in need of mental health services often have to wait weeks, even months in some parts of country, for appointments, never mind having assistance by a psychologist, psychiatrist. One reason is because only 40 percent of the Veterans Administration clinics, Mr. Speaker, have mental health professionals.

□ 2115

Many veterans are forced to travel over an hour for care. Veterans who need weekly or biweekly follow-up appointments for therapy or medication

regulation can only be seen every 6 weeks. The Veterans Administration desperately needs more psychiatric staff. Sadly, less than 9 percent of the Veterans Administration funds are available for residency training or designated for psychiatric residency in the year 2002.

Our heroes, our active duty soldiers, just recently on television there was a young soldier who when asked what he was thinking when he came home, he said, I wake up with dreams where I was in the tank seeing the Iraqis use women and children as shields. Somebody needs to help those young men and women who have witnessed the atrocities and do not have the ability to download or be able to have professional assistance to deal with this traumatic scene that they are going to live with for the rest of their lives.

Not only are they in immediate danger in combat service, they need our help to be able to function properly in our society. Many of them experience extreme flashbacks and nightmares of war situations, but they may not openly talk about them. I can tell you, Mr. Speaker, from experience, from my brother-in-law who was in World War II, he refused to talk about his experiences because they were so painful.

Soldiers must be screened for these mental health problems and given assistance before they progress to suicidal proportions. Families of soldiers who have served in war also need mental health services to cope with their loved ones' fears, their anxiety, and their issues.

Very sadly, unfortunately, lack of appropriate mental health services for soldiers has led not only to suicide, but to homicide. Last year, the four soldiers at Fort Bragg allegedly killed their wives or partners. Family members noticed the soldiers were experiencing rage and other mental wounds of service and needed mental health treatment. None was provided; none was available.

We talk about our homeless, our street people. As my colleague just mentioned, there are over 300,000 people without shelter on any given night. Approximately 25 percent of these homeless have serious mental illness, such as schizophrenia, bipolar disorder and PTSD. Unfortunately, many minorities, particularly African Americans, are overrepresented among the mentally ill homeless population.

Only a handful of the homeless shelters currently provide comprehensive mental health services; and yet without these services, we will never break the cycle of homelessness and help people get back on their feet and function in our society. We do not even have accurate figures on the number of homeless people who commit suicide; but given their likelihood of mental health illness, their desperate situation, this number is expected to be high.

Now I go on to our youngsters, Mr. Speaker. Suicide is the third leading cause of death among young people ages 10 to 24, followed by unintentional injuries and homicide. Our U.S. Surgeon General estimates that one in five children, one in five children, will experience a serious mental health problem during their school years. Can you imagine, one in five? That means three of my grandchildren, because I have fourteen. A sad statistic.

A variety of causes lead youth to serious mental health problems and suicide, including academic problems, peer pressure, fear of school violence, severe change in family situation, rape during college years, and the double stigma of the mental stress and the rape.

Children are considered by many psychologists to be the most resilient age group with regard to mental illness, meaning that, if given appropriate treatment, children are likely to fully recover, if they are given treatment. Children also need a good deal of preventative mental health care to ensure that they do not reach the critical suicide stage. They need help in adapting to dramatic life changes, such as moving from one city to another, switching schools, parental divorce or a loss of a family member, a loved one.

Latino adolescents are the most likely of any racial or ethnic group to attempt suicide in the United States. The Native American and Alaskan Native youth are the most likely of any racial or ethnic group to commit suicide.

I first learned of this problem in a 1990 report by a representative group of health care providers of Hispanic origin that brought to us here in Washington a report presented to the Congressional Hispanic Caucus. It stated that a shocking one in three Latino adolescents ages 9 to 11 had seriously considered suicide, and that 15 percent of those adolescents actually attempted suicide. That is horrible. That is unacceptable.

So we responded by spearheading and securing funding from Health and Human Services, SAMHSA, substance abuse, for a pilot program in my district to provide school-based mental health services through a nonprofit mental health care provider. This program has served over 300 students in three middle schools and one high school, many of whom have no health insurance and could not have received these services elsewhere. They were either unable to provide services to them or their provider would not cover them.

Children exposed to violence and poverty are at a heightened risk for mental illness and for suicide, as are students who have experienced, as I said, parental death or divorce. Children in schools need to be screened for mental illness and suicide risk factors so they can be given appropriate care. Schools should have trained personnel who can spot the first signs and prevent at-risk children from attempting suicide.

Seventy percent of school children and adolescents nationwide who need mental health services are not getting them. Untreated mental illness has led to violence in schools; and as we have seen in the newspaper, there continues to be almost on a daily basis an instance where something has happened in a school, there is violence, there is a suicide attempt or suicide has been committed.

In 1996 a Health and Human Service study found that almost 20 percent of students feared being violently attacked by their peers at school. Students have attacked their teachers and their administrators at a time that is crucial for children in middle schools and high schools that have tremendous pressures.

Then we look at the shortage of mental health services. Many schools do not have mental health professionals. In fact, I do not know of many that can even afford nurses, let alone mental health care providers. Nearly all people who commit suicide have a diagnosable mental illness or substance abuse problem, something that has been found in about 70 percent of the students that have been treated for mental health illness, or they have more than one.

Most people who need mental health services do not have access to them because of the stigma associated with mental health care, because of financial barriers, because of language barriers, or simply a lack of available services. This is a particular problem in minority communities, where individuals are less likely to have health insurance and more likely to have a language barrier to receive care. Only 32 percent of Hispanic female youth at risk for suicide during the year of 2000 received mental health treatment. That is only 32 percent.

The shortage of mental health professionals is a vital, vital necessity, especially amongst minorities. We are facing a severe shortage of mental health professionals, particularly in the areas in high populations of minorities, who can render services bilingually, in the native language, or a language that they can understand.

Research in other areas of health care indicates that minority health care workers are more likely to practice in areas with high minority populations; but unfortunately, we have shockingly few minority health care professionals. Only 1 percent of licensed psychologists are Hispanic, 1 percent. Moreover, there are only 29 mental health professionals for every 100,000 Hispanics in the United States. There are only 70 Asian American/Pacific Islander mental health providers for every 100,000 Asian American/Pacific Islanders in the United States. Further, half of the Asian American/Pacific Islanders who need mental health services report that they do not access them because of language barriers. Interesting.

But do not think that mental illness and suicide only plague minority communities or young people. Let us look at our elderly. Our Nation's seniors are at an enormously high risk of suicide. In fact, the highest suicide rate in the

United States of any age group occurs among people ages 65 years and older. There is an average of one suicide among elderly every 90 minutes.

Seniors are at a high risk for depression. Fifteen out of every 100 people in the U.S. over 65 are depressed. Unfortunately, it goes unnoticed, because families and health care providers are focused only on their health, more often than not. But depression among seniors, when left untreated, can worsen conditions, lead to disability and, ultimately, result in suicide.

Now, Substance Abuse Mental Health Services estimates that 20 percent of the elderly over 65 years old who commit suicide visited a physician within 24 hours of their act; 41 percent visited within a week of their suicide; and 75 percent have been seen by a physician within 1 month of their suicide. Clearly, our physicians are not screening their elderly patients for depression or suicide risk, nor are they providing adequate treatment for mental illness. This has to change. It must change. It cannot continue.

Depression and suicide are not a normal part of aging; and they must not, they cannot be ignored. The most common causes of senior depression and suicide include terminal illness, physical pain, loss of a spouse, and/or social isolation.

Then we go into Medicare. Unfortunately, current Medicare rules make it very difficult for seniors to access mental health services. Currently, Medicare requires beneficiaries to pay 50 percent copay for mental health services, compared to 20 percent copay for other health services. We must make mental health equal to health care delivery.

Further, Medicare imposes a lifetime limit of in-patient care in psychiatric hospitals of 190 days, a lifetime limit, 190 days. Later this year, hopefully Congress will debate this Medicare modernization; and when we do, we must make it clear that we must address these insufficient mental health provisions, and we must ensure that Medicare provides access to mental health services that our seniors desperately need.

Medicare is not the only Federal program falling short on mental health services. While men are more likely to commit suicide, women attempt suicide twice as often as men, often using less lethal means such as pills or slicing their wrists. Suicide is more common among single, divorced, or widowed women than among married women.

The two most common mental illnesses among women who attempt suicide are postpartum depression and bipolar disorder. Suicide rates for women peak between the ages of 45 and 54, often due, guess what, to hormonal changes during menopause that affect their mental health. Unfortunately, gynecologists and obstetricians do not screen enough patients for postpartum depression or mental health illnesses related to menopause.

Then we look at our college students. They are at a heightened risk for mental illness and suicide because they are away from home for the first time, away from traditional support systems, and face intensive peer pressure and academic pressure, and, as has happened in many of our colleges, unfortunately and sadly, rape on our campuses.

□ 2130

This brings shame, shock, and denial and causes them to take the ultimate step of suicide. It is the second leading cause of death among college students. The rate among these students has tripled since 1970.

Well, Mr. Speaker, we are coming to the end of the hour and I want to make sure that we stress that we need to make mental health a higher national priority, to expand access to health care, mental health care for all Americans. I thank the gentleman from Pennsylvania (Mr. MURPHY). He has consented to be a cochair in our bipartisan Mental Health Caucus which now numbers over 17 Members from both sides. We invite more Members to join and work with us and bring this up into the light and be able to talk about it, discuss it, and do something about it.

Mr. Speaker, this is a large and daunting issue. The mentally ill need all the support and supporters they can get. We must eradicate the stigma and work openly and honestly to help those many that need our help.

I want to thank all of the Members who are working with us to improve mental health issues in our Nation. I want to thank my distinguished colleague and cochair, once again, the gentleman from Pennsylvania (Mr. MURPHY), and I would then say to my colleagues that I am very pleased that even at this late hour, I have an opportunity to bring before my colleagues one of the things that has bothered a lot of us for a long time.

Ms. BORDALLO. Mr. Speaker, I am pleased to join my colleagues this evening on this most important issue and I thank my colleague, Mrs. NAPOLITANO, for bringing attention to National Suicide Awareness Week. This is a very personal issue for me as I have experienced first hand the impact of suicide on family and friends.

Tonight I want to bring special attention to the issue of suicide in youth and young adults.

In the year 2000, persons under age 25 accounted for 15 percent of all suicides. In 1999, more teenagers and young adults died from suicide than from cancer, heart disease, AIDS, birth defects, stroke, and chronic lung disease combined.

Nationally, suicide is the 9th leading cause of death. Among 10–24 year-olds, suicide ranks 3rd and in Guam, where the suicide rate is six times higher than the national average, it ranks 2nd as the leading cause of death in youth and young adults.

Mr. Speaker, we cannot stand by and allow this tragedy to continue. We must focus our efforts on what causes the youth in our communities to choose to end their lives.

The report of the Surgeon General's Conference on Children's Mental Health: Developing a National Action Agenda indicates that children with mental health needs are usually identified by the schools only after their emotional or behavioral problems cannot be managed by their regular classroom teacher.

We must educate and train parents, teachers and others who work with our children to recognize the warning signs of suicidal young adults.

We must provide funding for the programs and services that will treat our children and provide guidance and support to their family and friends, including expanding Medicaid eligibility to allow lower income and poor families to access programs and services.

We must also recognize the racial, cultural and ethnic influence on behaviors and its effect on properly identifying at-risk youth and address its impact on intervention and access to the programs and services.

Most importantly, we must help our children understand that suicide is never the answer to their problems.

Ms. WATSON. Mr. Speaker, there are approximately 30,000 suicide deaths every year in the U.S. Suicide is the 11th leading cause of death nationwide, and is the 3rd leading cause of death among people ages 10–24, following unintentional injuries and homicide.

Statistics of completed suicide only tell part of the story. National Institute of Mental Health (NIMH) estimates that research indicates that there are an estimated 8–25 attempted suicides to one completion; the ratio is higher in women and youth. Adolescent males are 4 times more likely to actually commit suicide than females. Adolescent females are twice as likely as adolescent males to attempt suicide.

Since peaking in the early 1990's, overall adolescent suicide rates have dropped. However, most of this is attributed to a drop in male adolescent suicide. Rates for females have remained constant. Fifty-three percent of young people who commit suicide abuse substances.

Most people who commit suicide have a diagnosable mental illness, but are not receiving treatment.

Children who are exposed to violence, experience a loss in the family, experience parental divorce, or have academic problems are at a heightened risk for mental health problems and suicide.

The U.S. Surgeon General estimates that 1 in 5 children will experience a serious mental health problem during their school years. Seventy percent of these children will not receive mental health services, putting them at an even higher risk of suicide.

Native American/Alaskan Native youth are more than twice as likely to commit suicide as any other adolescent racial group to commit suicide, with approximately 20 deaths per 100,000 Native Americans/Alaskan Natives ages 15–19.

Hispanic adolescents are most likely to exhibit non-lethal suicide behavior. A 1999 report found that a shocking 1 in 3 Latina adolescents seriously considered suicide. Fifteen percent of Hispanic high school-age females actually attempt suicide each year.

People who are homeless, incarcerated, in the foster care system, or exposed to serious violence are all at a higher risk for mental illness and suicide. African-Americans and Hispanics are overrepresented in these groups.

Minorities are less likely to access mental health care, due to lack of insurance and other

financial barriers and cultural stigma. For instance, only one third of African-Americans in need of mental health services actually receive them.

Among Hispanic Americans with a mental disorder, fewer than 1 in 11 contact mental health specialists, while fewer than 1 in 5 contact general health care providers. Among Hispanic immigrants with mental disorders, fewer than 1 in 20 use services from mental health specialists, while fewer than 1 in 10 use services from general health care providers.

Of Asian-Americans who report needing mental health services, half of them do not receive them because they cannot find a provider who speaks their language.

There is a serious lack of mental healthcare providers, and an even greater lack of minority providers, who are more likely to practice in communities with high minority populations.

We must invest more in our mental healthcare system in order to prevent suicide. We need more psychiatrists and psychologists. We need to screen all of our children for mental health problems and suicide risk factors. And when our children exhibit symptoms of mental illness—such as withdrawal from family and friends, academic trouble, sadness or behavioral problems—we must make sure they get the appropriate treatment immediately.

Mrs. NAPOLITANO. Mr. Speaker, I yield back the balance of my time.

RECESS

The SPEAKER pro tempore (Mr. HENSARLING). Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 9 o'clock and 32 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 2201

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. DREIER) at 10 o'clock and 1 minute p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2, JOBS AND GROWTH RECONCILIATION TAX ACT OF 2003

Mr. REYNOLDS, from the Committee on Rules, submitted a privileged report (Rept. No. 108–95) on the resolution (H. Res. 227) providing for consideration of the bill (H.R. 2) to amend the Internal Revenue Code of 1986 to provide additional tax incentives to encourage economic growth, which was referred to the House Calendar and ordered to be printed.

OMISSION FROM THE CONGRESSIONAL RECORD OF THURSDAY MAY 1, 2003, AT PAGE H3632

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 162—An Act to provide for the use and distribution of certain funds awarded to the Gila River Prima-Maricopa Indian community, and for other purposes.

CORRECTION TO THE CONGRESSIONAL RECORD OF TUESDAY, MAY 6, 2003, AT PAGE H3658

APPOINTMENT AS MEMBERS TO UNITED STATES-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

The SPEAKER pro tempore. Pursuant to section 1238(b)(3) of the Floyd D. Spence National Defense Authorization Act for fiscal year 2001 (22 U.S.C. 7002), amended by Division P of the Consolidated Appropriations Resolution, 2003 (P.L. 108–7), and the order of the House of January 8, 2003, the Chair announces the Speaker's reappointment of the following members on the part of the House to the United States-China Economic and Security Review Commission:

Ms. June Teufel Dreyer, Coral Gables, Florida, for a term to expire December 31, 2003;

Mr. Larry Wortzel, Alexandria, Virginia, for a term to expire December 31, 2004;

Mr. Stephen D. Bryen, Silver Spring, Maryland, for a term to expire December 31, 2005.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DINGELL (at the request of Ms. PELOSI) for today on account of medical reasons.

Ms. JACKSON-LEE of Texas (at the request of Ms. PELOSI) for May 7 after 3:00 p.m. on account of official business in the district.

Mr. FEENEY (at the request of Mr. DELAY) for today and the balance of the week on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DEFAZIO) to revise and extend their remarks and include extraneous material:)

Mr. DEFAZIO, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. ALLEN, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Ms. CARSON of Indiana, for 5 minutes, today.

Mr. CASE, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. RYAN of Ohio, for 5 minutes, today.

Ms. Linda T. Sanchez of California, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

(The following Members (at the request of Mr. HENSARLING) to revise and extend their remarks and include extraneous material:)

Ms. PRYCE of Ohio, for 5 minutes, today.

Ms. HARRIS, for 5 minutes, today.

Mrs. BLACKBURN, for 5 minutes, today.

Mr. THOMAS, for 5 minutes, today.

ENROLLED BILL SIGNED

Mr. Trandahl, Clerk of the House, reported and found a truly enrolled bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 289. An act to expand the boundaries of the Ottawa National Wildlife Refuge Complex and the Detroit River International Wildlife Refuge.

ADJOURNMENT

Mr. REYNOLDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 2 minutes p.m.), under its previous order, the House adjourned until tomorrow, Friday, May 9, 2003, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

2089. A letter from the Director, Regulatory Review Group, Department of Agriculture, transmitting the Department's final rule — Tobacco Payment Program (RIN: 0560-AG96) received May 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2090. A letter from the Directors, FinCEN, Department of the Treasury, transmitting the Department's final rule — Customer Identification Prorams for Banks, Savings Associations, Credit Unions and Certain Non-Federally Regulated Banks (RIN: 1506-AA31) received May 1, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

2091. A letter from the Assistant General Counsel for Regulations, Office of Housing, Department of Housing and Urban Development, transmitting the Department's final rule — Tenant Participation in State-Financed, HUD-Assisted Housing Developments [Docket No. FR-4611-F-02] (RIN: 2502-AH55) received May 2, 2003; to the Committee on Financial Services.

2092. A letter from the Deputy Secretary, Division of Investment Management, Securities and Exchange Commission, transmitting the Commission's final rule — Customer Identification Programs for Mutual Funds [Release No. IC-26031; File No. S7-26-02] (RIN: 1506-AA33) received May 1, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

2093. A letter from the Directors, FinCEN, Securities and Exchange Commission, transmitting the Commission's final rule — Customer Identification Programs for Broker-Dealers [Release No. 34-47752, File No. S7-25-02] (RIN: 1506-AA32) received May 1, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

2094. A letter from the Directors, FinCEN, Securities and Exchange Commission, transmitting the Commission's final rule — Customer Identification Programs for Mutual Funds [Release No. IC-26031; File No. S7-26-02] (RIN: 1506-AA33) received May 1, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

2095. A letter from the Acting Assistant General Counsel for Regulations, Office of the General Counsel, Department of Education, transmitting the Department's final rule — Office of Special Education and Rehabilitative Services; National Institute on Disability and Rehabilitation Research -Rehabilitation Engineering Research Centers (RERCs) Program; Notice Inviting Applications for Fiscal Year (FY) 2003 [CFDANo.: 84.133E] received April 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

2096. A letter from the Director, Corporate Policy and Research Department, Pension Benefit Guaranty Corporation, transmitting the Corporation's final rule — Benefits Payable in Terminated Single-Employer Plans; Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits — received May 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

2097. A letter from the Secretary of the Commission, Bureau of Consumer Protection, Federal Trade Commission, transmitting the Commission's final rule — Rule Concerning Disclosures Regarding Energy Consumption and Water Use of Certain Home Appliances and Other Products Required Under the Energy Policy and Conservation Act (''Appliance Labeling Rule'') received April 30, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

2098. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's annual report on entitled, ''Patterns of Global Terrorism: 2002,'' pursuant to 22 U.S.C. 2656f; to the Committee on International Relations.

2099. A letter from the Assistant Secretary, International Security Policy, Department of Defense, transmitting the Department's FY 2004 Cooperative Threat Reduction Annual Report; to the Committee on International Relations.

2100. A letter from the Deputy Chief of Mission, Embassy of the Russian Federation, transmitting the Statement of the State Duma on the situation around the Republic of Iraq of January 22, 2003; to the Committee on International Relations.

2101. A letter from the Director, Workforce Compensation and Performance Service, Office of Personnel Management, transmitting the Office's final rule — Locality Pay Areas (RIN: 3206-AJ62) received April 24, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

2102. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Exclusive Economic Zone off Alaska; Yellowfin Sole by Vessels Using Trawl Gear in Bering Sea and Aleutian Islands Management Area [Docket No. 021212307-3037-02; I.D. 041503A] received April 24, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2103. A letter from the Assistant Administrator for Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Northeastern United States; Scup Fishery; Gear Restricted Area (GRA) Exemption Program [Docket No. 021122284-3056-03; I.D. 110602A] (RIN: 0648-AQ30) received May 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2104. A letter from the Director, Regulations and Forms Services Division, Department of Homeland Security, transmitting the Department's final rule — Electronic Signature on Applications and Petitions for Immigration and Naturalization [CIS No. 2224-02] (RIN: 1615-AA83) received April 29, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

2105. A letter from the Chief Legal Counselor, Department of Homeland Security, transmitting the Department's final rule — Electronic Signature on Applications and Petitions for Immigration and Naturalization Benefits [CIS No. 2224-02] (RIN: 1615-AA83) received April 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

2106. A letter from the Rules Administrator, Office of General Counsel, Department of Justice, transmitting the Department's final rule — Bureau of Prisons Emergencies [BOP-1117-I] (RIN: 1120-AB17) received April 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

2107. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's final rule — VISAS: Documentation of Nonimmigrants under the Immigration and Nationality Act, as amended: Student and Exchange Visitor Information System (SEVIS) — received April 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

2108. A letter from the General Counsel, National Science Foundation, transmitting the Foundation's final rule — Antarctic Meteorites (RIN: 3145-AA40) received April 3,2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

2109. A letter from the Acting Deputy General Counsel, Office of Size Standards, Small Business Administration, transmitting the Administration's final rule — Small Business Size Standards; Tour Operators (RIN: 3245-AE98) received May 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Small Business.

2110. A letter from the Deputy General Counsel, Office of Size Standards, Small Business Administration, transmitting the Administration's final rule — Small Business Size Regulations; Petroleum Refiners (RIN: 3245-AE84) received may 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Small Business.

2111. A letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule — Reasonable Charges for Medical Care or Services; 2003 Update (RIN: 2900-AL57) received April 22, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

2112. A letter from the Director, Regulations Management, Departyment of Veterans Affairs, transmitting the Department's final rule — Eligibility for Burial of Adult Children; Eligibility for Burial of Minor Children; Eligibility for Burial of Certain Filipino Veterans (RIN: 2900-AI95) received March 31, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

2113. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule — Tax Return Preparers-Electronic Filing [TD 9053] (RIN: 1545-BC12) received April 28, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

2114. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule — Definitions (Rev. Rul. 2003-46) received May 6, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

2115. A letter from the Under Secretary, Department of Defense, transmitting the Defense Environmental Restoration Program report for FY 2002, pursuant to 10 U.S.C. 2706(a)(1); jointly to the Committees on Armed Services and Energy and Commerce.

2116. A letter from the Secretary, Federal Trade Commission, transmitting the Second Annual report pursuant to the College Scholarship Fraud Prevention Act of 2000; jointly to the Committees on Education and the Workforce and the Judiciary.

2117. A letter from the Administrator, Agency for International Development, transmitting a report required by Section 653(a) of the Foreign Assistance Act of 1961; jointly to the Committees on International Relations and Appropriations.

2118. A letter from the Attorney General, Department of Justice, transmitting a report required by the Foreign Intelligence Surveillance Act of 1978, pursuant to 50 U.S.C. 1807; jointly to the Committees on the Judiciary and Intelligence (Permanent Select).

2119. A letter from the Board Members, Railroad Retirement Board, transmitting the Board's enclosed bill to amend the Railroad Retirement Act to solve several technical problems that have arisen in connection with the establishment of and actions by the National Railroad Retirement Investment Trust; jointly to the Committees on Transportation and Infrastructure and Ways and Means.

2120. A letter from the General Counsel, Department of Defense, transmitting the Department's legislative initiatives as part of the National Defense Authorization Act for FY 2004; jointly to the Committees on Government Reform, the Judiciary, and Armed Services.

2121. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's proposed legislation to authorize appropriations to carry our its authorities and responsibilities in the conduct of foreign affairs for fiscal years 2004 and 2005; jointly to the Committees on International Relations, Government Reform, the Judiciary, and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. NEY: Committee on House Administration. House Resolution 110. Resolution providing amounts for the expenses of the Committee on Homeland Security in the One Hundred Eighth Congress; with amendments (Rept. 108–93. Referred to the House Calendar.

Mr. THOMAS: Committee on Ways and Means. House Resolution 2. A bill to amend the Internal Revenue Code of 1986 to provide additional tax incentives to encourage economic growth; with amendments (Rept. 108–94). Referred to the Committee of the Whole House on the State of the Union.

Mr. REYNOLDS: Committee on Rules. House Resolution 227. Resolution providing for consideration of the bill (H.R. 2) to amend the Internal Revenue Code of 1986 to provide additional tax incentives to encourage economic growth (Rept. 108–95). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. AKIN (for himself, Mr. DELAY, Mr. BLUNT, Mr. CANTOR, Ms. PRYCE of Ohio, Mr. ADERHOLT, Mr. BACHUS, Mr. BAKER, Mr. BARRETT of South Carolina, Mr. BARTLETT of Maryland, Mr. BARTON of Texas, Mr. BASS, Mrs. BLACKBURN, Mr. BEAUPREZ, Mr. BEREUTER, Mr. BISHOP of Utah, Mr. BOEHNER, Mr. BONILLA, Mrs. BONO, Mr. BONNER, Mr. BOOZMAN, Ms. BORDALLO, Mr. BRADY of Texas, Mr. BROWN of South Carolina, Ms. GINNY BROWN-WAITE of Florida, Mr. BURGESS, Mr. BURNS, Mr. BURR, Mr. BURTON of Indiana, Mr. CALVERT, Mr. CAMP, Mr. CHOCOLA, Mr. COLE, Mr. COLLINS, Mr. CRANE, Mr. CULBERSON, Mr. CUNNINGHAM, Mrs. JO ANN DAVIS of Virginia, Mr. DAVIS of Tennessee, Mr. TOM DAVIS of Virginia, Mr. DEAL of Georgia, Mr. DEMINT, Mr. LINCOLN DIAZ-BALART of Florida, Mr. MARIO DIAZ-BALART of Florida, Mr. DOOLITTLE, Mr. DUNCAN, Ms. DUNN, Mrs. EMERSON, Mr. FEENEY, Mr. FLAKE, Mr. FOLEY, Mr. FORBES, Mr. FOSSELLA, Mr. FRANKS of Arizona, Mr. FRELINGHUYSEN, Mr. GALLEGLY, Mr. GARRETT of New Jersey, Mr. GIBBONS, Mr. GILLMOR, Mr. GINGREY, Mr. GOODE, Mr. GOODLATTE, Mr. GRAVES, Mr. GREEN of Texas, Mr. GUTKNECHT, Ms. HARRIS, Mr. HAYES, Mr. HAYWORTH, Mr. HEFLEY, Mr. HERGER, Mr. HOBSON, Mr. HOEKSTRA, Mr. HOSTETTLER, Mr. HOUGHTON, Mr. HULSHOF, Mr. HUNTER, Mr. ISSA, Mr. ISTOOK, Mr. JANKLOW, Mr. JENKINS, Mr. SAM JOHNSON of Texas, Mr. JONES of North Carolina, Mr. KELLER, Mr. KENNEDY of Minnesota, Mr. KING of Iowa, Mr. KINGSTON, Mr. KLINE, Mr. LAHOOD, Mr. LATOURETTE, Mr. LEWIS of Kentucky, Mr. LUCAS of Oklahoma, Mr. MANZULLO, Mr. MCCRERY, Mr. MCHUGH, Mr. MCINNIS, Mr. MICA, Mrs. MILLER of Michigan, Mr. GARY G. MILLER of California, Mr. MILLER of Florida, Mrs. MUSGRAVE, Mrs. MYRICK, Mr. NEY, Mrs. NORTHUP, Mr. NUNES, Mr. OSBORNE, Mr. OSE, Mr. OTTER, Mr. PEARCE, Mr. PENCE, Mr. PETERSON of Pennsylvania, Mr. PITTS, Mr. PORTER, Mr. PLATTS, Mr. POMBO, Mr. PUTNAM, Mr. REGULA, Mr. REHBERG, Mr. RENZI, Mr. REYNOLDS, Mr. ROGERS of Kentucky, Mr. ROGERS of Michigan, Mr. ROHRABACHER, Ms. ROS-LEHTINEN, Mr. RYAN of Wisconsin, Mr. RYUN of Kansas, Mr. SAXTON, Mr. SCHROCK, Mr. SESSIONS, Mr. SHADEGG, Mr. SHERWOOD, Mr. SHIMKUS, Mr. SHUSTER, Mr. SIMPSON, Mr. SMITH of New Jersey, Mr. SMITH of Texas, Mr. SMITH of Michigan, Mr. SOUDER, Mr. STEARNS, Mr. SULLIVAN, Mr. TANCREDO, Mr. TAUZIN, Mr. TAYLOR of North Carolina, Mr. TERRY, Mr. TIAHRT, Mr. TIBERI, Mr. TOOMEY, Mr. WALSH, Mr. WAMP, Mr. WELDON of Pennsylvania, Mr. WELDON of Florida, Mr. WELLER, Mr. WHITFIELD, Mr. WILSON of South Carolina, Mr. WOLF, Mr. YOUNG of Florida, and Mr. YOUNG of Alaska):

H.R. 2028. A bill to amend title 28, United States Code, with respect to the jurisdiction of Federal courts inferior to the Supreme Court over certain cases and controversies involving the Pledge of Allegiance; to the Committee on the Judiciary.

By Mr. CAMP (for himself and Mr. BLUNT):

H.R. 2029. A bill to amend the Internal Revenue Code of 1986 to provide that long-term vehicle storage by tax-exempt organizations which conduct county and similar fairs shall not be treated as an unrelated trade or business; to the Committee on Ways and Means.

By Mr. CASE (for himself, Mr. ABERCROMBIE, Ms. PELOSI, Mrs. JONES of Ohio, Mr. GEORGE MILLER of California, Ms. LEE, Mr. HONDA, Mrs. NAPOLITANO, Mr. MCDERMOTT, Ms. WATSON, Mr. MORAN of Virginia, Mr. SERRANO, Mr. TIERNEY, Ms. JACKSON-LEE of Texas, Mr. THOMPSON of California, Mr. MATSUI, Mr. GREEN of Texas, Ms. WOOLSEY, Mr. FRANK of Massachusetts, Mr. FROST, Mr. RODRIGUEZ, Ms. LOFGREN, Mr. GRIJALVA, Mr. ANDREWS, Mr. OWENS, Mr. KILDEE, Mr. PAYNE, Mr. SHAYS, Mr. SNYDER, Mr. STARK, Mr. HINOJOSA, Ms. KAPTUR, Mr. KENNEDY of Rhode Island, Mr. WU, Ms. DELAURO, Mr. BECERRA, Mr. REYES, Mr. HASTINGS of Florida, Mr. MARKEY, Mr. THOMPSON of Mississippi, Mr. SANDERS, Mr. GUTIERREZ, Mr. KUCINICH, Mr. SCOTT of Virginia, Mrs. MCCARTHY of New York, Mr. HINCHEY, Mr. SKELTON, Ms. MILLENDER-MCDONALD, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. CUMMINGS, Ms. CORRINE BROWN of Florida, Ms. SLAUGHTER, Mr. DAVIS of Illinois, Mr. HOEFFEL, Ms. BERKLEY, Mr. TOWNS, Ms. BALDWIN, Mr. FALEOMAVAEGA, Mr. BALLENGER, Mr. EVANS, Ms. CARSON of Indiana, Mr. WATT, Mr. RYAN of Ohio, Mr. WEINER, Mr. MCKEON, Mr. MCNULTY, Mr. NADLER, Mr. WYNN, Mr. CROWLEY, Mr. BRADY of Pennsylvania, Mr. ORTIZ, Mr. SANDLIN, Ms. SOLIS, Mrs. LOWEY, Mrs. MALONEY, Mr. BACA, Ms. MCCOLLUM, Ms. WATERS, Ms. SCHAKOWSKY, Mr. FARR, Mr. UDALL of New Mexico, Mr. OBEY, Mr. ETHERIDGE, Mr. OSBORNE, Ms. BORDALLO, Mr. MCGOVERN, Ms. KILPATRICK, Mr. BERMAN, and Mr. CARDIN):

H.R. 2030. A bill to designate the facility of the United States Postal Service located at 120 Baldwin Avenue in Paia, Maui, Hawaii, as the ''Patsy Takemoto Mink Post Office Building''; to the Committee on Government Reform.

By Mr. COLE:

H.R. 2031. A bill to amend the Internal Revenue Code of 1986 to restore and make permanent the exclusion from gross income for amounts received under qualified group legal services plans and to increase the maximum amount of the exclusion; to the Committee on Ways and Means.

By Mr. DAVIS of Illinois (for himself, Mr. SHIMKUS, Mr. DOGGETT, Mr. UDALL of Colorado, Mr. MOORE, Mr. MCNULTY, Mr. ENGEL, Mr. RYUN of Kansas, Mr. HINOJOSA, Mr. MCHUGH, Mr. HOLDEN, Ms. LEE, Mr. DOYLE, Mr. HOYER, Ms. SCHAKOWSKY, Mr. TOWNS, Mr. HINCHEY, Mr. SERRANO, Mr. PAYNE, Mr. GRIJALVA, Mr. KILDEE, Mr. BRADY of Pennsylvania, Mr. PALLONE, and Mrs. CHRISTENSEN):

H.R. 2032. A bill to amend title XIX of the Social Security Act to provide individuals with disabilities and older Americans with equal access to community-based attendant services and supports, and for other purposes; to the Committee on Energy and Commerce.

By Ms. DUNN (for herself, Mr. MCDERMOTT, and Mr. RUSH):

H.R. 2033. A bill to amend title XVIII of the Social Security Act to increase the minimum percentage increase under the MedicareChoice program, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HERGER (for himself and Mr. TANNER):

H.R. 2034. A bill to amend the Internal Revenue Code of 1986 to provide that an employer shall be liable for Social Security taxes on unreported tips paid to an employee only after the Internal Revenue Service establishes the amount of tips received by that employee; to the Committee on Ways and Means.

By Ms. HOOLEY of Oregon (for herself, Mr. LATOURETTE, Mr. FRANK of Massachusetts, Ms. WOOLSEY, Mr. BROWN of Ohio, Ms. NORTON, Mr. KENNEDY of Rhode Island, Mr. LARSON of Connecticut, Mr. BAIRD, Mr. FROST, Ms. LOFGREN, Ms. SLAUGHTER, Mr. KANJORSKI, Ms. CARSON of Indiana, Mr. SHERMAN, Ms. SCHAKOWSKY, Mr. WEXLER, Mr. PLATTS, Mr. GILLMOR, Mr. BAKER, Mr. GUTIERREZ, Mr. CLAY, Ms. BERKLEY, Mrs. LOWEY, Mrs. MALONEY, Mr. UDALL of Colorado, Mr. KIND, Ms. LEE, Mr. MOORE, Mr. CAPUANO, Mr. LYNCH, Mr. HASTINGS of Florida, Mr. JONES of North Carolina, Mr. HINCHEY, Mr. EMANUEL, Mr. HOLDEN, Mr. KILDEE, Ms. WATSON, Mr. ACKERMAN, Ms. MILLENDER-MCDONALD, Ms. WATERS, Mr. SOUDER, Mr. TIBERI, and Mr. GONZALEZ):

H.R. 2035. A bill to prevent identity theft, and for other purposes; to the Committee on Financial Services.

By Mr. ISAKSON:

H.R. 2036. A bill to amend the Internal Revenue Code of 1986 to provide economic incentives for the preservation of open space and conservation of natural resources, and for other purposes; to the Committee on Ways and Means.

By Mr. LEWIS of Georgia (for himself, Mr. LEACH, Ms. NORTON, Mr. OBERSTAR, Ms. JACKSON-LEE of Texas, Mr. DELAHUNT, Mr. JACKSON of Illinois, Mr. GEORGE MILLER of California, Mr. FRANK of Massachusetts, Mr. TOWNS, Mr. HINCHEY, Mr. PAYNE, Mr. BROWN of Ohio, Ms. BALDWIN, Mr. OWENS, Mr. PAUL, Mr. RUSH, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. LEE, Mr. DEFAZIO, Ms. WOOLSEY, Mr. FARR, Ms. HOOLEY of Oregon, Mr. HOEFFEL, Mr. SANDERS, Ms. CARSON of Indiana, Mr. MCGOVERN, Ms. ESHOO, and Mr. CLAY):

H.R. 2037. A bill to affirm the religious freedom of taxpayers who are conscientiously opposed to participation in war, to provide that the income, estate, or gift tax payments of such taxpayers be used for nonmilitary purposes, to create the Religious Freedom Peace Tax Fund to receive such tax payments, to improve revenue collection, and for other purposes; to the Committee on Ways and Means.

By Mrs. MCCARTHY of New York (for herself, Mr. SHAYS, Mr. CONYERS, Mr. SMITH of New Jersey, Mr. NADLER, Ms. LOFGREN, Ms. JACKSON-LEE of Texas, Ms. WATERS, Mr. MEEHAN, Mr. DELAHUNT, Mr. WEXLER, Mr. WEINER, Ms. LINDA T. SANCHEZ of California, Mr. EMANUEL, Mr. CASE, Mrs. MALONEY, Ms. CORRINE BROWN of Florida, Mr. KENNEDY of Rhode Island, Mr. RANGEL, Ms. WOOLSEY, Mr. ACKERMAN, Ms. SCHAKOWSKY, Mr. HONDA, Mr. STARK, Ms. SOLIS, Ms. LEE, Mr. VAN HOLLEN, Mr. WAXMAN, Mr. TOWNS, Ms. ROYBAL-ALLARD, Mr. GRIJALVA, Ms. CARSON of Indiana, Ms. NORTON, Mr. LIPINSKI, Mr. RUSH, Ms. WATSON, Mr. DAVIS of Illinois, Mr. LEWIS of Georgia, Mr. JACKSON of Illinois, Mr. GUTIERREZ, Mr. OWENS, Mr.

BLUMENAUER, Mr. CUMMINGS, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. FARR, Ms. LORETTA SANCHEZ of California, Mr. MORAN of Virginia, Mr. MARKEY, Mr. ANDREWS, Mr. HOLT, Mr. PAYNE, Mr. MCGOVERN, Mr. PASCRELL, Mr. FRANK of Massachusetts, Mrs. TAUSCHER, Ms. DELAURO, Mr. ENGEL, Mr. CAPUANO, Mr. HOEFFEL, Mrs. LOWEY, Mr. MENENDEZ, Ms. VELAZQUEZ, Mr. TIERNEY, Mr. BRADY of Pennsylvania, Mr. ROTHMAN, Mr. FATTAH, Ms. HARMAN, Mr. BISHOP of New York, and Mr. LANGEVIN):

H.R. 2038. A bill to reauthorize the assault weapons ban, and for other purposes; to the Committee on the Judiciary.

By Mr. MCCRERY:

H.R. 2039. A bill to amend section 376 of title 28, United States Code, to allow a period of open enrollment for certain individuals who are elevated to the position of chief judge of a district; to the Committee on the Judiciary.

By Mr. OSBORNE:

H.R. 2040. A bill to amend the Irrigation Project Contract Extension Act of 1998 to extend certain contracts between the Bureau of Reclamation and certain irrigation water contractors in the States of Wyoming and Nebraska; to the Committee on Resources.

By Mr. PALLONE:

H.R. 2041. A bill to provide for grants to States for enacting statewide laws regulating public playgrounds consistent with playground safety guidelines established by the Consumer Product Safety Commission; to the Committee on Energy and Commerce.

By Mr. WAXMAN (for himself, Mr. BOEHLERT, Ms. SCHAKOWSKY, Mr. MCHUGH, Ms. VELAZQUEZ, Mr. GILCHREST, Mr. DOGGETT, Mrs. JOHNSON of Connecticut, Mr. GRIJALVA, Mrs. KELLY, Mr. ALLEN, Mr. LOBIONDO, Mr. PALLONE, Mr. SAXTON, Mr. BISHOP of New York, Mr. SHAYS, Mr. DAVIS of Florida, and Mr. WALSH):

H.R. 2042. A bill to amend the Clean Air Act to reduce emissions from electric powerplants, and for other purposes; to the Committee on Energy and Commerce.

By Mr. BUYER (for himself and Ms. HOOLEY of Oregon):

H. Con. Res. 168. Concurrent resolution commending the Expedition-Six crew of the International Space Station, Commander Ken Bowersox, Flight Engineer Nikolai Budarin, and NASA ISS Science Officer Don Pettit, for their contributions in furthering scientific discovery for the world, and welcoming them back home to Earth; to the Committee on Science, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LANTOS (for himself, Mr. HYDE, Mr. LANGEVIN, and Mr. RAMSTAD):

H. Con. Res. 169. Concurrent resolution expressing the sense of Congress that the United States Government should support the human rights and dignity of all persons with disabilities by pledging support for the drafting and working toward the adoption of a thematic convention on the human rights and dignity of persons with disabilities by the United Nations General Assembly to augment the existing United Nations human rights system, and for other purposes; to the Committee on International Relations.

By Mr. OSE:

H. Con. Res. 170. Concurrent resolution supporting the goals and ideals of ''National Community Residential Care Month''; to the Committee on Government Reform.

By Mr. RAHALL (for himself and Mr. ROHRABACHER):

H. Con. Res. 171. Concurrent resolution expressing the thanks of Congress to the people of Qatar for their cooperation in supporting United States Armed Forces and the armed forces of coalition countries during the recent military action in Iraq and welcoming His Highness Sheikh Hamad bin Khalifah Al-Thani, Emir of the State of Qatar, to the United States; to the Committee on International Relations.

By Mr. HASTERT (for himself, Mr. BLUNT, Ms. PRYCE of Ohio, Mr. REYNOLDS, Mr. WELLER, Mr. KINGSTON, Mr. RADANOVICH, Mr. POMBO, and Mr. PORTER):

H. Res. 224. A resolution expressing the sense of the House of Representatives that Congress should provide adequate funding to protect the integrity of the Frederick Douglass National Historic Site; to the Committee on Resources.

By Mr. ISRAEL:

H. Res. 225. A resolution providing for consideration of the bill (H.R. 1652) to provide extended unemployment benefits to displaced workers, and to make other improvements in the unemployment insurance system; to the Committee on Rules.

By Mr. KUCINICH:

H. Res. 226. A resolution recognizing the 140th anniversary of the founding of the Brotherhood of Locomotive Engineers, and congratulating the members and officers of the Brotherhood of Locomotive Engineers for the union's many achievements; to the Committee on Transportation and Infrastructure.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

27. The SPEAKER presented a memorial of the Legislature of the State of North Dakota, relative to Senate Concurrent Resolution No. 4040 memorializing the United States Congress that the 58th Legislative Assembly supports and honors the personnel of the Armed Forces of the United States; to the Committee on Armed Services.

28. Also, a memorial of the General Assembly of the Commonwealth of Virginia, relative to House Joint Resolution No. 752 memorializing the United States Congress to continue the funding for career and technical education in public secondary and postsecondary schools when authorizing the Perkins Vocational and Applied Technology Act in 2003; to the Committee on Education and the Workforce.

29. Also, a memorial of the General Assembly of the State of Iowa, relative to Senate Resolution No. 22 memorializing the United States Congress to urge the federal government to continue to fund the Best Buddies Iowa program; to the Committee on Education and the Workforce.

30. Also, a memorial of the Senate of the State of Michigan, relative to Senate Resolution No. 9 memorializing the United States Congress that we call for the creation of a Great Lakes Caucus; to the Committee on International Relations.

31. Also, a memorial of the Senate of the State of Michigan, relative to Senate Resolution No. 10 memorializing the United States Congress to encourage the International Joint Commission to maintain its participation in developing feasible and defensible strategies and policies that protect the Great Lakes water from out-of-basin diversions and to continue to support the Annex 2001 process in a deeply considered and scientifically informed manner; to the Committee on International Relations.

32. Also, a memorial of the Senate of the State of Kansas, relative to Senate Resolution No. 1827 memorializing the United States Congress to seek a constitutional amendment to protect the pledge of allegiance and our national motto; to the Committee on the Judiciary.

33. Also, a memorial of the General Assembly of the Commonwealth of Virginia, relative to Senate Joint Resolution No. 424 memorializing the United States Congress to adopt legislation in support of funding for nitrogen reduction technology in the 108th Congress; to the Committee on Transportation and Infrastructure.

34. Also, a memorial of the House of Representatives of the State of Delaware, relative to House Concurrent Resolution No. 12 memorializing the United States Congress that the Bush Administration be encouraged to support a free trade agreement between the United States and Taiwan; to the Committee on Ways and Means.

35. Also, a memorial of the General Assembly of the State of Iowa, relative to House Concurrent Resolution No. 19 memorializing the United States Congress and the President to eliminate trade barriers with Taiwan by negotiating and adopting a free trade agreement between the United States and Taiwan; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 21: Mr. WICKER.

H.R. 33: Mr. DAVIS of Tennessee.

H.R. 54: Mr. BLUNT, Mr. ENGLISH, Mr. ROGERS of Michigan, Mr. WELLER, Mr. MCHUGH, and Mr. HERGER.

H.R. 125: Mr. DINGELL.

H.R. 135: Mr. GERLACH.

H.R. 176: Mr. NORWOOD and Mr. WELDON of Florida.

H.R. 276: Mr. WICKER.

H.R. 290: Mr. PRICE of North Carolina.

H.R. 375: Mr. ALEXANDER and Mr. BONNER.

H.R. 459: Mr. TOOMEY.

H.R. 467: Ms. SCHAKOWSKY, Mr. ROTHMAN, and Mr. KUCINICH.

H.R. 468: Ms. SCHAKOWSKY and Mr. KUCINICH.

H.R. 469: Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 470: Ms. LOFGREN and Ms. DELAURO.

H.R. 471: Ms. LOFGREN and Ms. DELAURO.

H.R. 472: Ms. LOFGREN, Ms. DELAURO, and Mr. ABERCROMBIE.

H.R. 473: Ms. LOFGREN and Mr. GEORGE MILLER of California.

H.R. 474: Ms. LOFGREN and Ms. DELAURO.

H.R. 492: Mr. PETRI.

H.R. 569: Ms. ESHOO.

H.R. 720: Mr. TAUZIN.

H.R. 727: Mr. MARKEY.

H.R. 737: Mr. WU.

H.R. 754: Mr. MCHUGH and Mr. PICKERING.

H.R. 765: Mr. WICKER.

H.R. 781: Mr. GONZALEZ and Mr. BRADLEY of New Hampshire.

H.R. 785: Mr. TERRY, Mr. SIMPSON, Mr. BILIRAKIS, Mr. TIERNEY, Mrs. CAPPS, Mr. CHABOT, Mr. BOUCHER, and Mr. NADLER.

H.R. 786: Mr. MARIO DIAZ-BALART of Florida and Mr. FALEOMAVAEGA.

H.R. 816: Mr. HOEFFEL.

H.R. 817: Mr. CUMMINGS and Mr. ENGLISH.

H.R. 833: Mr. CANTOR.

H.R. 876: Mr. MICHAUD, Mr. PLATTS Mr. HOLT, Mr. SULLIVAN, and Mr. COLE.

H.R. 880: Mr. HONDA and Mr. FRANK of Massachusetts.

H.R. 898: Mr. HOYER, Mr. TANCREDO, Mr. PETERSON of Pennsylvania, Mr. VAN HOLLEN

, Mrs. LOWEY, Mr. WYNN, Mr. RUPPERSBERGER, Mr. TAYLOR of Mississippi, Mr. FATTAH, and Mr. HINCHEY.

H.R. 920: Mr. MATSUI and Mr. HASTINGS of Florida.

H.R. 934: Mr. HASTINGS of Florida.

H.R. 935: Mr. PAYNE, Mr. CASE, and Ms. MCCOLLUM.

H.R. 936: Ms. SLAUGHTER.

H.R. 941: Mr. MARKEY.

H.R. 953: Mr. FERGUSON.

H.R. 954: Ms. CARSON of Indiana.

H.R. 965: Mr. GUTIERREZ and Mrs. MALONEY.

H.R. 980: Mr. WELLER.

H.R. 998: Mr. FROST.

H.R. 1003: Mr. CONYERS, Ms. LEE, and Mr. KUCINICH.

H.R. 1094: Mr. EMANUEL, Mr. STUPAK, Mr. UDALL of Colorado, Mr. DAVIS of Alabama, Mr. BOSWELL, Mr. BERMAN, Mrs. LOWEY, and Mr. DAVIS of Tennessee.

H.R. 1105: Mr. PRICE of North Carolina.

H.R. 1114: Mr. LEACH.

H.R. 1119: Mr. DOOLITTLE.

H.R. 1125: Mr. GIBBONS, Mr. LEWIS of Kentucky, and Mr. EMANUEL.

H.R. 1146: Mr. LUCAS of Oklahoma and Mr. NEY.

H.R. 1157: Mr. THOMPSON of California, Mr. RYAN of Ohio, Mr. BAIRD, and Ms. LINDA T. SANCHEZ of California.

H.R. 1227: Mr. OXLEY.

H.R. 1236: Mr. ROGERS of Michigan and Mr. SIMPSON.

H.R. 1266: Mr. BOSWELL.

H.R. 1275: Mr. RANGEL.

H.R. 1288: Mr. QUINN, Mr. JOHNSON of Illinois, Mr. MILLER of North Carolina, Ms. VELAZQUEZ, Mr. FILNER, Mr. BASS, Mr. BACA, Mr. MCHUGH, Mr. WAXMAN, and Mr. RODRIGUEZ.

H.R. 1306: Mr. WYNN.

H.R. 1316: Mr. GOODE and Mr. LYNCH.

H.R. 1317: Mr. BERRY.

H.R. 1321: Mr. RYAN of Ohio and Mr. CUMMINGS.

H.R. 1329: Mr. EHLERS.

H.R. 1336: Mr. PENCE and Mr. LEVIN.

H.R. 1348: Ms. LORETTA SANCHEZ of California.

H.R. 1375: Mr. CANTOR.

H.R. 1385: Mr. FALEOMAVAEGA, Ms. GINNY BROWN-WAITE of Florida, Mr. MARSHALL, Mr. NEY, Mr. MCNULTY, and Mr. SANDERS.

H.R. 1389: Mr. ISRAEL.

H.R. 1397: Mr. RYAN of Ohio.

H.R. 1460: Mr. KOLBE, Mr. BRADLEY of New Hampshire, Mr. GRIJALVA, and Ms. GINNY BROWN-WAITE of Florida.

H.R. 1512: Mr. KILDEE, Mr. DINGELL, and Mr. KNOLLENBERG.

H.R. 1515: Mr. KOLBE.

H.R. 1519: Mr. HOLDEN.

H.R. 1523: Mr. HULSHOF.

H.R. 1564: Mr. GRIJALVA.

H.R. 1567: Mr. BILIRAKIS, Mr. NORWOOD, Mr. BAKER, Mr. FORBES, Mr. BROWN of South Carolina, Mr. GOODE, Mr. ROHRABACHER, Mr. BURTON of Indiana, Mr. DUNCAN, Mr. BARTLETT of Maryland, Mr. TANCREDO, and Mr. SHADEGG.

H.R. 1568: Mr. BISHOP of New York and Mr. HOEFFEL.

H.R. 1577: Mr. CAMP, Mr. UPTON, Mr. EHLERS, Mr. ROGERS of Michigan, Mr. KNOLLENBERG, Mrs. MILLER of Michigan, and Mr. FLAKE.

H.R. 1580: Mr. HOSTETTLER.

H.R. 1586: Mr. KELLER and Mr. SIMMONS.

H.R. 1613: Ms. LEE, Mr. THOMPSON of Mississippi, Ms. JACKSON-LEE of Texas, Mr. DAVIS of Tennessee, Mr. MILLER of North Carolina, Mr. BISHOP of Georgia, Mr. CLYBURN, Mr. WATT, Mr. HASTINGS of Florida, Mr. DAVIS of Alabama, Mr. LEWIS of Georgia, Mr. BALLANCE, Mr. JACKSON of Illinois, Mr. WYNN, Mr. CLAY, Mr. SCOTT of Virginia, Ms. WATSON, and Mr. MCNULTY.

H.R. 1614: Mr. GREEN of Texas.

H.R. 1615: Mr. HOEFFEL.

H.R. 1618: Mr. COLLINS.

H.R. 1641: Mr. ACEVEDO-VILA, Mr. SPRATT, and Mr. HYDE.

H.R. 1652: Mr. MILLER of North Carolina, Mr. STRICKLAND, and Ms. JACKSON-LEE of Texas.

H.R. 1662: Mr. ROSS, Mr. PUTNAM, and Mr. BISHOP of Georgia.

H.R. 1684: Mr. LEACH, Mr. GIBBONS, Ms. LOFGREN, Ms. SCHAKOWSKY, and Mr. SABO.

H.R. 1688: Mr. LEVIN, Mr. SCHIFF, Mr. GUTIERREZ, Mr. STRICKLAND, Mr. Bishop of New York, Mr. WU, and Mr. NADLER.

H.R. 1692: Ms. LORETTA SANCHEZ of California.

H.R. 1708: Mr. DAVIS of Illinois, Ms. KAPTUR, Mr. DINGELL, Mr. PAYNE, Mr. NADLER, Mr. PRICE of North Carolina, and Mr. BAIRD.

H.R. 1711: Mr. PASCRELL and Mr. JANKLOW.

H.R. 1719: Mr. FRANK of Massachusetts and Mr. MCDERMOTT.

H.R. 1749: Ms. JACKSON-LEE OF TEXAS, Mrs. MILLER of Michigan, Mr. FILNER, Mr. HYDE, Mr. JONES of North Carolina, and Mr. WOLF.

H.R. 1751: Mr. EMANUEL.

H.R. 1754: Mr. GOODLATTE, Mr. GUTKNECHT, and Mr. MCHUGH.

H.R. 1767: Mr. KLINE and Mr. BEAUPREZ.

H.R. 1769: Mr. SIMMONS, Mr. BAKER, Mr. FEENEY, Mr. POMEROY, Mr. INSLEE, Mrs. JONES of Ohio, Mr. BELL, Mr. NETHERCUTT, Ms. HART, Mr. HASTINGS of Washington, Mr. DICKS, Mr. MCNULTY, Mrs. TAUSCHER, Ms. HOOLEY of Oregon, Mr. KLECZKA, Mr. JEFFERSON, Mr. FROST, Mr. JONES of North Carolina, Mr. FRANKS of Arizona, Mr. MEEK of Florida, Mr. SPRATT, Mr. BAIRD, Mr. RYAN of Ohio, Mr. ADERHOLT, Mr. MICHAUD, Mr. LATOURETTE, Mr. BEAUPREZ, Mr. JOHNSON of Illinois, Mr. OTTER, Mr. BACA, Mr. TOOMEY, Mr. BARTLETT of Maryland, Mrs. BIGGERT, Mr. GOODE, Mr. KING of Iowa, Mr. WILSON of South Carolina, Mr. SMITH of Michigan, Mr. NORWOOD, Mr. ETHERIDGE, and Mr. LARSEN of Washington.

H.R. 1779: Mr. RANGEL, Mr. SOUDER, Mr. WILSON of South Carolina, Mr. FRANKS of Arizona, and Mr. FALEOMAVAEGA.

H.R. 1784: Mr. LINDER, Mr. NETHERCUTT, and Mr. HOEFFEL.

H.R. 1814: Mr. GIBBONS, Mr. RYUN of Kansas, Ms. LEE, Mr. BALLANCE, Mr. BERMAN, Mr. WU, Mr. ETHERIDGE, Mr. MORAN of Virginia, Mr. FALEOMAVAEGA, and Mr. SKELTON.

H.R. 1824: Mr. GORDON, Mr. FROST, Ms. JACKSON-LEE of Texas, Mr. BISHOP of New York, Mr. LAMPSON, Mr. COOPER, Mr. HOEFFEL, Mr. UPTON, Mr. LARSON of Connecticut, Mr. TOWNS, Mr. KILDEE, Mr. SMITH of Michigan, Mr. WYNN, and Mr. FALEOMAVAEGA.

H.R. 1828: Mr. WAXMAN, Mr. HOLDEN, Mrs. JONES of Ohio, Mr. LATOURETTE, Mr. HAYWORTH, Mr. CARSON of Oklahoma, Mr. SCHIFF, Mr. CARDOZA, Mr. GARRETT of New Jersey, Mr. ETHERIDGE, Mr. BOSWELL, Mr. MILLER of Florida, Mr. JOHNSON of Illinois, and Mr. GRAVES.

H.R. 1839: Mrs. BLACKBURN.

H.R. 1900: Mr. TIBERI, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. FROST, Mr. BISHOP of New York, Mr. DAVIS of Alabama, Mr. LEWIS of Georgia, Mr. LEWIS of California, Mr. COLE, Mr. CLYBURN, and Mr. LAHOOD.

H.R. 1904: Mr. SCOTT of Georgia, Mr. BONNER, Mr. GOODE, Mr. BISHOP of Georgia, Mr. CANTOR, and Ms. PRYCE of Ohio.

H.R. 1906: Mr. GRIJALVA.

H.R. 1925: Mr. UPTON.

H.R. 1992: Mr. SERRANO and Mr. HINOJOSA.

H.R. 2017: Mr. KUCINICH, Mr. FRANK of Massachusetts, Mr. COSTELLO, Mr. FARR, Mr. FROST, Mr. DEFAZIO, and Mr. BROWN of Ohio.

H.R. 2021: Ms. NORTON.

H.R. 2023: Mr. WAXMAN and Ms. WATERS.

H. Con. Res. 151: Mr. GUTKNECHT.

H. Res. 220: Mr. MCDERMOTT, Mr. FROST, and Mr. SERRANO.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 684: Ms. MAJETTE.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 2

OFFERED BY: MR. EMANUEL

AMENDMENT NO. 1. Insert at the end of the bill the following (and amend the table of contents accordingly):

TITLE V—EXTENSION OF DEDUCTION FOR QUALIFIED TUITION AND RELATED EXPENSES.

SEC. 501. EXTENSION OF DEDUCTION FOR QUALIFIED TUITION AND RELATED EXPENSES.

(a) IN GENERAL.—Subsection (e) of section 222 (relating to termination) is amended by striking ''December 31, 2005'' and inserting ''December 31, 2007''.

(b) CONFORMING AMENDMENTS.—

(1) Section 222(b)(2)(B) is amended by striking ''2004 or 2005'' and inserting ''2004, 2005, 2006, or 2007''.

(2) The heading of section 222(b)(2)(B) is amended by striking ''AND 2005'' and inserting '', 2005, 2006, AND 2007''.

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

TITLE VI—CORPORATE EXPATRIATION; REDUCTION OF BONUS DEPRECIATION

SEC. 601. TAX TREATMENT OF CORPORATE EXPATRIATION.

(a) IN GENERAL.—Subchapter C of chapter 80 (relating to provisions affecting more than one subtitle) is amended by adding at the end the following new section:

''SEC. 7874. TAX TREATMENT OF CORPORATE EXPATRIATION.

''(a) INVERTED CORPORATIONS TREATED AS DOMESTIC CORPORATIONS.—

''(1) IN GENERAL.—If a foreign incorporated entity is treated as an inverted domestic corporation, then, notwithstanding section 7701(a)(4), such entity shall be treated for purposes of this title as a domestic corporation.

''(2) INVERTED DOMESTIC CORPORATION.—For purposes of this section, a foreign incorporated entity shall be treated as an inverted domestic corporation if, pursuant to a plan (or a series of related transactions)—

''(A) the entity completes after March 4, 2003, the direct or indirect acquisition of substantially all of the properties held directly or indirectly by a domestic corporation or substantially all of the properties constituting a trade or business of a domestic partnership,

''(B) after the acquisition at least 80 percent of the stock (by vote or value) of the entity is held—

''(i) in the case of an acquisition with respect to a domestic corporation, by former shareholders of the domestic corporation by reason of holding stock in the domestic corporation, or

''(ii) in the case of an acquisition with respect to a domestic partnership, by former partners of the domestic partnership by reason of holding a capital or profits interest in the domestic partnership, and

''(C) the expanded affiliated group which after the acquisition includes the entity does not have substantial business activities in the foreign country in which or under the law of which the entity is created or organized when compared to the total business activities of such expanded affiliated group.

''(3) TERMINATION.—This subsection shall not apply to any acquisition completed after December 31, 2007.

''(b) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) FOREIGN INCORPORATED ENTITY.—The term 'foreign incorporated entity' means any entity which is, or but for subsection (a) would be, treated as a foreign corporation for purposes of this title.

''(2) EXPANDED AFFILIATED GROUP.—The term 'expanded affiliated group' means an affiliated group as defined in section 1504(a) but without regard to paragraphs (2), (3), and (4) of section 1504(b), except that section 1504(a) shall be applied by substituting 'more than 50 percent' for 'at least 80 percent' each place it appears.

''(3) CERTAIN STOCK DISREGARDED.—There shall not be taken into account in determining ownership under subsection (a)(3)(B)—

''(A) stock held by members of the expanded affiliated group which includes the foreign incorporated entity, or

''(B) stock of such foreign incorporated entity which is sold in a public offering related to the acquisition described in subsection (a)(3)(A).

''(4) PLAN DEEMED IN CERTAIN CASES.—If a foreign incorporated entity acquires directly or indirectly substantially all of the properties of a domestic corporation or partnership during the 4-year period beginning on the date which is 2 years before the ownership requirements of subsection (a)(3)(B) are met, such actions shall be treated as pursuant to a plan.

''(5) CERTAIN TRANSFERS DISREGARDED.—The transfer of properties or liabilities (including by contribution or distribution) shall be disregarded if such transfers are part of a plan a principal purpose of which is to avoid the purposes of this section.

''(6) SPECIAL RULE FOR RELATED PARTNERSHIPS.—For purposes of applying subsection (a)(3)(B) to the acquisition of a domestic partnership, except as provided in regulations, all partnerships which are under common control (within the meaning of section 482) shall be treated as 1 partnership.

''(7) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to determine whether a corporation is an inverted domestic corporation, including regulations—

''(A) to treat warrants, options, contracts to acquire stock, convertible debt interests, and other similar interests as stock, and

''(B) to treat stock as not stock.

''(c) SPECIAL RULE FOR TREATIES.—Nothing in section 894 or 7852(d) or in any other provision of law shall be construed as permitting an exemption, by reason of any treaty obligation of the United States heretofore or hereafter entered into, from the provisions of this section.

''(d) REGULATIONS.—The Secretary shall provide such regulations as are necessary to carry out this section, including regulations providing for such adjustments to the application of this section as are necessary to prevent the avoidance of the purposes of this section, including the avoidance of such purposes through—

''(1) the use of related persons, pass-through or other noncorporate entities, or other intermediaries, or

''(2) transactions designed to have persons cease to be (or not become) members of expanded affiliated groups or related persons.''.

(b) CONFORMING AMENDMENT.—The table of sections for subchapter C of chapter 80 is amended by adding at the end the following new item:

''Sec. 7874. Tax treatment of corporate expatriation.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after March 4, 2003.

SEC. 602. REDUCTION IN BONUS DEPRECIATION.

(a) IN GENERAL.—Clause (i) of section 168(k)(4)(A), as added by section 201(a), is amended by inserting ''(or such lesser percentage as the Secretary estimates will offset the excess (if any) of the revenue reduction resulting from the amendments made by section 501 of the Jobs and Growth Reconciliation Tax Act of 2003 over the revenue attributable to the amendments made by section 601 of such Act)'' after ''50 percent''.

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

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PROCEEDINGS AND DEBATES OF THE *108th* CONGRESS, FIRST SESSION

Vol. 149 WASHINGTON, THURSDAY, MAY 8, 2003 *No. 68*

Senate

The Senate met at 9:31 a.m. and was called to order by the President pro tempore (Mr. STEVENS).

The PRESIDENT pro tempore. Today's prayer will be offered by our guest Chaplain, the Reverend R.J. Barber, of Danville, VA.

PRAYER

The guest Chaplain offered the following prayer:

Eternal God, our Heavenly Father, we come to You in solemn prayer as our Senate opens its deliberations for this day. We express our deep gratitude for the unmeasured blessings You have bestowed upon this Nation. We honor our Founding Fathers whose sacrifice and wisdom birthed this Nation under Your divine guidance. We marvel at the unbroken success of this experiment in democracy.

We bow in gratitude for the protection of Your Almighty hand through all of our wars, from Valley Forge to Baghdad. We thank You for the men and women, both past and present, who have served so nobly in our Armed Forces. We ask Your comfort for all of the families who have suffered in our latest war.

Where we have broken Your commandments, forgive us. Lead us in the uncharted waters of the future. Guard our hearts from pride. As we face the great issues of our time, may we be mindful of Your holy laws and our accountability to You, our righteous Judge. May You guide the deliberations of this body. May we seek to do justice and walk humbly with our God. Long may our land be bright with freedom's holy light; protect us by Thy might, great God, our King. All of these favors and blessings we ask in the name of our Lord. Amen.

PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore led the Pledge of Allegiance, as follows:

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

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The Chair recognizes the majority leader.

SCHEDULE

Mr. FRIST. Mr. President, momentarily we will be voting on passage of the resolution of ratification for a historic treaty. Members are gathering now for this important vote. Therefore, I will defer my comments on today's schedule until later.

At this time we will proceed with the final remarks prior to the vote.

ORDER FOR RECESS

Mr. FRIST. Mr. President, I ask unanimous consent that following this vote, the Senate stand in recess subject to the call of the Chair in order for Members to greet our guests.

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

RESERVATION OF LEADER TIME

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

EXECUTIVE SESSION

NATO EXPANSION TREATY

The PRESIDENT pro tempore. Under the previous order, the Senate will go into executive session to consider Executive Calendar No. 6, which the clerk will report.

The assistant legislative clerk read as follows:

Resolution of Ratification to Accompany Treaty Document No. 108–4, Protocols to the North Atlantic Treaty of 1949 on Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia.

The PRESIDENT pro tempore. Under the previous order, the chairman of the Foreign Relations Committee is recognized prior to the vote on the resolution of ratification.

Mr. LUGAR. Mr. President, the Senate comes together this morning to ratify the accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia to the NATO alliance. It will be a truly historic vote in the Senate and a most important day in the histories of these nation-states. I am hopeful the Senate will support overwhelmingly this remarkable foreign policy initiative.

When President Bush made his first trip to Warsaw Europe 2 years ago, he strongly voiced in his Warsaw address the U.S. commitment to Europe generally and to NATO in particular. Now, at a moment when relations with some of our European allies are strained, a clear showing of bipartisan support for NATO enlargement takes on added importance. The affirming message of the first round of enlargement led to improved alliance capabilities and strengthened transatlantic ties. I am confident that this second round will do the same. The eyes of a hopeful and expectant world are upon us. I ask my colleagues to join me in voting for this resolution of ratification.

I would like to direct the attention of Senators to the balcony above where we are joined today by the Foreign Ministers of the seven aspirant states. They have come together with us today to witness our actions and to join with us on the Senate floor at the completion of the vote. At noon they will be hosted by the Secretary of State for lunch at the State Department and later by President Bush at a Rose Garden ceremony. Their presence, here today, is a personal witness to the close relationship our nations will enjoy as partners in the NATO Alliance.

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

I thank Senators for their cooperation and ask for their support of the enlargement of the NATO allliance .

The PRESIDENT pro tempore. The Senator from Delaware.

Mr. BIDEN. Mr. President, it is fitting on this day, which is the 58th anniversary of VE Day, the victory over Nazi tyranny in Europe, that the Senate is about to vote to admit seven countries that suffered under that tyranny and the tyranny of Communism—Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia—all of which have their Ambassadors present today and are very welcome.

His Holiness Pope John Paul the II and President Reagan should be thanked for having hastened the fall of Communism in Europe. President George H.W. Bush should be thanked for the unification of Germany, and our President Bush for having widened the circle of the current round of NATO enlargement, and President Clinton, who skillfully led the way to the path-breaking last round of enlargement which moved NATO into formerly Communist Central Europe.

Today is a culmination of the work of a number of great men and women. I am just happy to be able to play a little tiny part.

I urge everyone to vote, which I am confident they will, for accession.

Mr. REED. Mr. President, I join my colleagues on both sides of the aisle to express my support for the ratification of the protocols to the North Atlantic Treaty of 1949 on the accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia.

NATO has been perhaps the most successful military alliance in history, ensuring the peace and security of Europe for over fifty years. I believe these seven countries will not only benefit immeasurably from their inclusion in NATO, but they will all serve to further strengthen the alliance in ways that we could not have imagined in 1949. Though they are all fledgling democracies, they bring with them a zeal for the democratic process that we all share.

In 1997, I had concerns about admitting the last three nations into NATO—Hungary, Poland, and the Czech Republic. I had significant concerns about the cost we as a nation might incur by allowing these countries with immature political and social structures and outdated militaries to enter the alliance. But time has proven that these costs are less than we imagined, and I believe that the cost required to bring these next seven nations into the alliance should be well worth the investment.

At the same time, I continue to have reservations about the likelihood of true interoperability with these seven new nations. These seven nations use military hardware that is a product of the Soviet armed forces, and it is rapidly reaching the end of its useful life. Very little of this equipment is compatible with the latest hardware, weapons, and ammunition currently utilized by the United States. The militaries of the seven new nations are also top heavy with senior officers who were trained under the old Soviet regime. As with the ground forces, their air forces are also products of the Soviet era, and are greatly outdated. Finally, interoperability within the communications arena will be extremely challenging, at best, until these militaries become proficient in English.

Despite these misgivings, I still believe that we should admit these seven nations into the NATO alliance. The NATO alliance ensured victory in the Cold War and has preserved the peace in Europe for over fifty years. But in order to survive for the next fifty years, the alliance must be willing to make much-needed changes to its charter. I support the Warner-Levin-Roberts amendment and its two major provisions that the President of the United States placed on the agenda at the North Atlantic Council. First, I agree that we must eliminate the ''consensus rule,'' the antiquated requirement in the NATO charter that nearly prevented NATO from protecting one of its own members, Turkey, before the commencement of Operation Iraqi Freedom. This rule may have worked when the alliance was first formed in 1949 with its original 12 members, but it cannot work any longer. Secondly, I support the need for a new rule in NATO that authorizes the members of the alliance to suspend the membership of any country in NATO which no longer supports the ideals of the alliance. The recent refusal of support on the part of some of our NATO allies during the build-up for and execution of Operation Iraqi Freedom has again shown the need for such a change. Only with these two critical steps will NATO continue to thrive and be as critical to peace and security in the 21st Century as it was in the 20th Century.

Mr. JEFFORDS. Mr. President, I will vote today to provide advice and consent to the ratification of the Protocols to the North Atlantic Treaty of 1949, approving accession to the treaty by Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia.

While I will vote for this resolution of ratification, I do so with deep concerns over the future of NATO and its ability to serve as an effective military alliance. Five years ago, I voted against expanding NATO to include Poland, Hungary and the Czech Republic. I did so, in part, because of a belief that there was no logical end point once NATO began to expand. I was worried at that time that an expanded NATO would become unwieldy and lose focus on its primary mission as a defensive military alliance. Those fears continue today, magnified by the realities associated with seven additional members. However, having decided in 1998 to admit Poland, Hungary and the Czech Republic, there is little reason for the United States to reject the current round of NATO aspirants. Based on the logic of this latest round of expansion, I assume that this trend will continue, and that new members will be added in coming years as they meet NATO criteria, with the ultimate composition of the alliance becoming extremely diverse.

I am greatly concerned that the inclusion of 10 new NATO members over the past 5 years demonstrates that the United States and its original NATO Allies are wavering from the original purpose of the alliance. Throughout the cold war, the alliance presented a unified front, functioning as an efficient, credible deterrent to aggression. With the radical expansion of alliance membership by over 50 percent since 1998, the alliance has jeopardized its ability to act decisively in times of crisis. I am concerned that the alliance has expanded to the point of becoming inefficient and unwieldy. It runs the risk that divergent views will lead to paralysis or, worse yet, irrelevance when action is required.

The United States and Europe already have the Organization for Security and Cooperation in Europe to handle concerns related to promoting security in Europe, and there are several other organizations directed toward trade and the resolution of other political issues. I am concerned that an expanded NATO will be more suitable for discussion than action, and history has unfortunately shown that action is sometimes required. I continue to believe that the original decision in 1998 to expand NATO was a mistake, but reluctantly agree to accession by these seven countries.

Mr. LAUTENBERG. Mr. President, today will go down as a remarkable day in the history of world diplomacy. I enthusiastically support the passage of Treaty Document No. 108–04, the Resolution of Ratification to the Protocols to the North Atlantic Treaty of 1949 on the Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia.

We are seizing a remarkable opportunity to extend the democratic zone of security, stability, tranquility, and mutual assistance eastward. I welcome the seven aspirant countries, and commend their efforts since the fall of their communist regimes 12 years ago to embrace democratic governance and liberal economic policies.

I urge the adoption of the Resolution of Ratification because I believe that NATO expansion will bring positive security benefits to the United States. Sovereign states no longer pose the greatest threats to U.S. national security; transnational actors—terrorists groups and their networks of supporters do. I believe that the war on terrorism will only be won through effective cooperation between the U.S. and our allies around the world. Since 9/11, our NATO allies have helped tremendously in our attempt to thwart terrorist attacks here and abroad. The NATO accession of Bulgaria, Estonia,

Latvia, Lithuania, Romania, Slovakia, and Slovenia will solidify the cooperation that already exists bilaterally between the U.S. and these seven countries.

I do have one concern that I would like to mention: the rights of the large historic Hungarian minorities in Slovakia and Romania. I urge both countries' governments to continue to work with their Hungarian communities to resolve property restitution disputes and other contentious issues. And I urge the governments of all seven countries to pay continued attention to human rights so that all of their citizens may enjoy the benefits that accession to NATO will bring.

I extend a special welcome to the distinguished Foreign Ministers and Ambassadors who have come to the Senate Chamber today from each of the seven countries. I welcome them to a crucial alliance, one that was formed in the wake of World War II to protect freedom and democracy, human rights, and rule of law through the combined strength of western military, intelligence, economic, and political assets.

Mr. President, today's vote gives me great optimism about the future of our NATO alliance and about the contributions that these seven newest members will make for our collective peace, stability, freedom, and prosperity.

Ms. MIKULSKI. Mr. President, I rise in support of ratification of the Protocol to the Washington Treaty to bring seven new members in the NATO alliance.

Allies and partners make concrete and indispensable contributions to American national security in the complex and rapidly-changing post-cold war environment. Most security problems cannot be addressed unilaterally, and acting with others helps reduce the backlash against the United States. We are virtually always better off sharing the risks and burdens and costs with our allies. The NATO alliance has been a reliable cornerstone of America's national security since it was founded more than half a century ago.

I believe we need to modernize and strengthen NATO as our key alliance in the 21st century. We need to do four things to make NATO stronger:

First, we need to overcome differences over Iraq and other issues by working together to develop a common understanding of the threats we face, so we don't again face the challenge of NATO Allies refusing access to U.S. troops or denying protection to another ally.

Second, our European partners need to modernize their military capabilities to be ready to take on any potential enemy or military task, and to ensure interoperability between U.S. and European forces.

Third, NATO must be ready to act beyond Europe, because our common enemies and shared missions could be anywhere.

Finally, NATO must be ready to fight new enemies rather than just conventional military forces. These threats include the proliferation of weapons of mass destruction and missiles, rogue states and ethnic conflicts, and terrorism.

The limited debate and sparse opposition to further enlargement of NATO are a tribute to the success of the round of NATO enlargement we ratified in 1996. Poland, Hungary and the Czech Republic are full and reliable NATO allies. They have already contributed to America's security, joining in the unanimous invocation of article 5 of the Washington Treaty, that an attack on one is an attack on all, after terrorists attacked the United States on September 11 of 2001.

Poland, Hungary and the Czech Republic are being fully integrated into Europe including membership in the European Union. But they understand the value of the trans-Atlantic alliance.

I am particularly proud that Poland is always ready to stand with America. Poland sent ground forces for the war in Iraq, joining only two other allies: the United Kingdom and Australia.

I strongly support NATO membership for the three Baltic states: Estonia, Latvia and Lithuania. These countries know freedom and are willing to fight for it, because they suffered so long under Soviet occupation. The Baltic states are working to help America confront new challenges now that the cold war is over.

I had the opportunity to visit Estonia, Latvia and Lithuania a few years ago, and participate in the NATO parliamentary assembly meeting in Vilnius. I was truly impressed by the spirit and progress of the Estonian, Lithuanian and Latvian peoples. All three Baltic states are building modern armed forces to contribute to the security of NATO.

I am particularly proud of the Maryland-Estonia partnership, under which the Maryland National Guard has helped organize and train Estonia's military. All three Baltic states have contributed to the war on terrorism and international peacekeeping missions.

I urge my colleagues to join me in support of further enlargement of NATO. I believe this round of enlargement, like the last, will strengthen NATO. Strengthening NATO strengthens America's national security.

Mr. EDWARDS. Mr. President, I rise in strong support of NATO's expansion and the ratification of the Treaty before us. For more than 50 years, the alliance has been the cornerstone of the U.S.-European relationship, and I believe that NATO remains our most important alliance. NATO's enlargement is critical to ensuring its continuing relevance in the 21st century.

With the inclusion of 7 new members—Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia—NATO shows its commitment to establishing partnerships with its former adversaries and expanding the zone of freedom and security from Europe's West to Europe's East. Enlargement enables these countries to complete the journey they began with the end of Soviet communism, a journey that will make them part of a Europe that is whole, free and at peace.

With this step, we also come closer to completing the vision outlined by President Bill Clinton nearly a decade ago. In January 1994, President Clinton first described the enlargement of NATO as one of not ''whether but when.'' Thanks to his strong leadership, Poland, Hungary and the Czech Republic joined the alliance in 1999, and NATO developed a new relationship with Russia. President George W. Bush deserves credit for continuing his predecessor's policies.

I am deeply committed to NATO. A year ago, I voted in favor of the Freedom Consolidation Act, which stressed the importance of NATO and endorsed taking the step of enlargement. And last December, I went to NATO headquarters in Brussels and met with senior alliance officials, including Lord George Robertson, the superb NATO Secretary General; General Joe Ralston, then-NATO's military commander; our excellent U.S. Ambassador to NATO, Nick Burns; and several of his fellow NATO Ambassadors. I also visited London, where I met with the leader of one of our closest NATO allies, the United Kingdom's Tony Blair.

In all of these discussions, we agreed that bringing these deserving countries into NATO was critical to making the alliance stronger. But we also agreed that enlargement was only the first step—and in some ways, that it might prove to be the easiest. This is remarkable, especially when considering how contentious the issue of NATO enlargement was less than half a decade ago, not only here in the Senate, but around the world.

For NATO to continue to be a strong alliance, its members must meet at least two challenges. First, NATO members must close the gap in their military capabilities, and second, we must work to orient NATO toward new missions.

The Europeans understand that in terms of military spending and modernization, they are just not keeping up. A big part of the problem is budgetary. Last year the U.S. spent twice as much on defense than every other NATO member combined. The $48 billion increase in military spending that Congress appropriated after the September 11, 2001, attacks was itself twice as much as Germany's entire defense budget.

Everyone at NATO understands the problem. Lord Robertson repeatedly warns about it, but the question is whether our European partners can muster up the creativity and political will to get the job done. Since I believe that it is in the U.S. security interest

to work more, not less, with our European partners, it is obvious that our partners need to be strong and capable of working with the United States.

Beyond the issue of capabilities, NATO's members face an even more fundamental question: What is NATO's purpose? My answer is this: If NATO's cold war mission was to keep the peace in Europe, the real point of the Transatlantic security relationship in the 21st century is what we can do together outside of Europe. This includes addressing threats like terrorism, the proliferation of weapons of mass destruction, and pandemics like HIV/AIDS. And it includes acting in places that NATO planners have considered ''out of area'': the Middle East, South and Central Asia, and Africa. The bottom line is that neither the United States nor Europe can tackle any of these problems alone. We need each other, and to neglect natural building blocks like NATO simply does not make any sense.

Over the past 2 years, NATO has made historic strides in addressing these new threats. Following the September 11 attacks, NATO Allies came together and, for the first time, invoked the alliance's self defense clause. NATO partners are on the ground today in Afghanistan. Later this year, the alliance itself will assume command of the international security force in Afghanistan.

I also believe that NATO can and should play a central role in providing security in a postwar Iraq. We all know that many NATO members were deeply divided over the issue of what to do about Iraq. But now that the war is over, I believe that we have an opportunity to reaffirm NATO's importance and relevance—as well as America's commitment to the Alliance—by looking for ways to include NATO in providing security today in Iraq. Doing so would not only lend credibility to America's efforts in Iraq, but over the coming months and years ease the burden on the American people. This is a test, a test not just for NATO but for American leadership in NATO.

This is not the first time America's leadership in NATO has been tested. In fact, the question of whether or not to enlarge NATO was a test of American leadership, and with our vote today, we will have met that test. Now, I believe we have to show the same sense of commitment and resolve to help NATO meet the new challenges we face in Iraq and elsewhere.

The PRESIDENT pro tempore. The Chair recognizes the minority leader.

Mr. DASCHLE. Mr. President, I commend Senators LUGAR and BIDEN for their historic achievement this morning. This has been an effort that has enjoyed strong bipartisan support within our country and within the Senate. I commend them especially for their remarkable leadership in bringing us to this point.

I also welcome the Foreign Ministers and Ambassadors who join us on this momentous occasion from Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia. I welcome them to NATO; I welcome them here. This is truly a historic day.

We continue today what we did on VE Day, now more than 50 years ago, what thousands of our GIs, including my father, started more than 60 years ago with the landing at Normandy, the creation of a Europe that is whole and that is free.

This is the beginning of a partnership that will produce greater world stability, greater international involvement in world affairs, and a partnership with countries that will increasingly become valuable partners and allies of the United States.

Expanding NATO to include these seven democracies will make NATO stronger and the United States safer.

Five years ago we undertook to expand NATO for the first time. At that time, the debate hung on this critical question: Should NATO limit its mission to defending a fixed list of nations, selected more than 50 years ago, against an enemy that no longer existed? Or does it exist to provide a collective security umbrella armed to defend an alliance of free countries—countries that have demonstrated not only a deep commitment to democracy, but a willingness to defend it?

A strong, bipartisan majority answered that question by voting to enlarge NATO to meet the threats of a new world. The results of that decision did not disappoint.

On September 12, 2001, for the first time in its history, NATO invoked Article 5, and mobilized to defeat the threat of terrorism. NATO aircraft patrolled American skies and later this summer NATO will take over control of the Security Force in Afghanistan. Today we have the opportunity to take the next step and strengthen NATO yet again.

Each of the seven countries seeking to join our alliance has made the democratic reforms that inclusion in NATO demands. We could not have made this contention 15 years ago. But due to the foresight and perseverance of the citizens of each of these countries, Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia are all today strong democracies.

Emerging from a history of foreign occupation, and defending themselves against the threats of corruption and organized crime, these nations have affirmed their commitment to democracy both in word and in deed. They have earned the right to be members of NATO. With that right, comes a responsibility, and they have shown a willingness to meet that responsibility.

Each has contributed to the peacekeeping missions in the Balkans. Each contributed to Operation Enduring Freedom in Afghanistan and Operation Iraqi Freedom. Each has contributed to the International Security Assistance Force in Afghanistan and have pledged contributions for the reconstruction of Iraq.

As important as our shared values are, NATO remains, at its core, a defensive alliance.

As such, the forces of alliance members must remain capable of defending against a significant military threat—in Europe and beyond.

At Prague, NATO members pledged to transform NATO to make it better able to address the threats we face now.

Gone are the days of defending the Fulda Gap in the heart of Europe. Now we must be ready to counter the elusive and ever-present threat of terrorism, and the proliferation of weapons of mass destruction far outside the borders of Europe.

Each of our new partners will bring specialized capabilities to the alliance.

In Iraq, Afghanistan, and the Balkans, we have seen first-hand the expertise of Bulgarian and Slovak antinuclear, biological, and chemical weapons teams; Slovenian de-mining units; and Romanian mountain troops.

We will continue to draw on their skills as we carry forward our efforts to defeat terror and restore stability to Afghanistan and Iraq.

The addition of new members amplifies the need to close the disparities between the United States and our Allies.

We are encouraged by our new members ''niche capabilities.'' But the differences between the United States and its NATO Allies in transport, logistics, communications, and intelligence capabilities risk undercutting the alliance.

As we take this momentous step today—of extending the NATO security guarantee to seven new countries stretching from the Baltic to the Black Sea—we remind our friends, new and old, of their responsibility to invest in the capabilities of our brothers in arms.

We also must not permit periodic disagreements to erode the common cause that has made NATO the most successful military alliance in history.

The feud in the North Atlantic Council over how to aid Turkey in the event of an attack by Iraq exposed serious divisions in NATO. Subsequent discussion of a EU-based security arrangement as an alternative to NATO does little to ease those divisions.

These are not insurmountable challenges, but this alliance, like our key alliances in Asia, demand communication, attention, and diplomacy.

Handled correctly, this new and newly energized NATO can play a central role in post-Saddam Iraq—a role that can ease the burden on America's troops and American taxpayers.

I am proud to cast my vote for this resolution on the anniversary of one of our Nation's most glorious achievements—V–E Day, May 8.

My father was an Army sergeant in World War II. He landed on the beaches of Normandy with the 6th Armored Division on ''D Plus 1''—June 7, 1944.

One of his many duties was getting word back to the States about the dead

and missing so their families could be notified. That experience left him with a profound respect for the sacrifices democracy sometimes demands. It is a lesson he passed on to his four sons.

He taught my brothers and me another lesson: When you make a promise, you keep it.

With this vote, the United States makes a promise—a promise to protect our Allies, old and new, from any threat that may emerge in the years to come.

In return, we expect their wholehearted commitment to stand with us to continue the push for a Europe, whole and free. That effort began over 60 years ago with the blood and effort of soldiers like my father. By advancing their cause, this treaty honors their sacrifice.

I yield the floor.

The PRESIDENT pro tempore. The majority leader.

Mr. FRIST. Mr. President, 6 months ago, I traveled to Prague to support and bear witness to the historic decision of President Bush and the leaders of the Atlantic alliance to invite seven countries to join NATO. Today, on the 58th anniversary of Victory in Europe Day, the United States will vote to ratify in this Senate that vision of a free Europe, stretching from the Baltic Sea to the Black Sea.

I commend the chairman of the Foreign Relations Committee, Senator LUGAR, and the ranking member, Senator BIDEN, for their efforts to support this goal. I also thank the Democratic leader, Senator DASCHLE, for helping to make this happen.

In the few years I have been in Washington and in my few short months as majority leader of the Senate, I have seen few ideas that are so untroubled by political differences, that so united the Senate and the Nation, and that so completely fortified the very foundation of our liberty—that democratic government shall be defended and that freedom shall prevail.

These are exhilarating times in which we live. In just over a dozen years, we have seen the collapse of the Soviet Union, the freeing of captive nations, the collapse and defeat of tyrannical dictatorships, and the birth of new democracies across Europe, Latin America, the Middle East, Africa, and Asia. Each of these victories for freedom has been hard fought and each is worthy of defending.

It should be instructive to us that all seven of these soon-to-be NATO Allies were already on our side in the recent fight to liberate Iraq because they had to fight for their own liberation. They understand that freedom is not free.

It has often been said that during the long years of the cold war, America's example inspired Europe's freedom fighters, but to many of us, it is their example which is truly inspiring. To those from the ranks of Europe's new democracies who watch this morning as we cast our votes on this important treaty, I say: Thank you for your example and thank you for your inspiration.

Mr. President, I ask for the yeas and nays on the resolution of ratification.

The PRESIDENT pro tempore. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the resolution of ratification, as amended. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MCCONNELL. I announce that the Senator from Alaska (Ms. MURKOWSKI) is necessarily absent.

Mr. REID. I announce that the Senator from Delaware (Mr. CARPER), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KENNEDY) would vote ''aye''.

The yeas and nays resulted—yeas 96, nays 0, as follows:

[Rollcall Vote No. 142 Ex.]

YEAS—96

Akaka	Dodd	Lincoln
Alexander	Dole	Lott
Allard	Domenici	Lugar
Allen	Dorgan	McCain
Baucus	Durbin	McConnell
Bayh	Edwards	Mikulski
Bennett	Ensign	Miller
Biden	Enzi	Murray
Bingaman	Feingold	Nelson (FL)
Bond	Feinstein	Nelson (NE)
Boxer	Fitzgerald	Nickles
Breaux	Frist	Pryor
Brownback	Graham (FL)	Reed
Bunning	Graham (SC)	Reid
Burns	Grassley	Roberts
Byrd	Gregg	Rockefeller
Campbell	Hagel	Santorum
Cantwell	Harkin	Sarbanes
Chafee	Hatch	Schumer
Chambliss	Hollings	Sessions
Clinton	Hutchison	Shelby
Cochran	Inhofe	Smith
Coleman	Inouye	Snowe
Collins	Jeffords	Specter
Conrad	Johnson	Stabenow
Cornyn	Kerry	Stevens
Corzine	Kohl	Sununu
Craig	Kyl	Talent
Crapo	Landrieu	Thomas
Daschle	Lautenberg	Voinovich
Dayton	Leahy	Warner
DeWine	Levin	Wyden

NOT VOTING—4

Carper	Lieberman
Kennedy	Murkowski

The PRESIDENT pro tempore. Two-thirds of the Senators present having voted in the affirmative, the resolution of ratification is agreed to.

The resolution of ratification agreed to is as follows:

Protocols to North Atlantic Treaty of 1949 on Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia (Treaty Doc. 108–4)

SECTION 1. SENATE ADVICE AND CONSENT SUBJECT TO DECLARATIONS AND CONDITIONS

The Senate advises and consents to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia (as defined in section 4(6)), which were opened for signature at Brussels on March 26, 2003, and signed on behalf of the United States of America and other parties to the North Atlantic Treaty, subject to the declarations of section 2 and the conditions of section 3.

SEC. 2. DECLARATIONS

The advice and consent of the Senate to ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia is subject to the following declarations:

(1) Reaffirmation that United States membership in NATO remains a vital national security interest of the United States. The Senate declares that

(A) for more than 50 years the North Atlantic Treaty Organization (NATO) has served as the preeminent organization to defend the countries in the North Atlantic area against all external threats;

(B) through common action, the established democracies of North America and Europe that were joined in NATO persevered and prevailed in the task of ensuring the survival of democratic government in Europe and North America throughout the Cold War;

(C) NATO enhances the security of the United States by embedding European states in a process of cooperative security planning, by preventing the destabilizing re-nationalization of European military policies, and by ensuring an ongoing and direct leadership role for the United States in European security affairs;

(D) the responsibility and financial burden of defending the democracies of Europe and North America can be more equitably shared through an alliance in which specific obligations and force goals are met by its members;

(E) the security and prosperity of the United States is enhanced by NATO's collective defense against aggression that may threaten the security of NATO members;

(F) with the advice and consent of the United States Senate, Hungary, Poland, and the Czech Republic became members of NATO on March 12, 1999;

(G) on May 17, 2002, the Senate adopted the Freedom Consolidation Act of 2001 (S. 1572 of the 107th Congress), and President George W. Bush signed that bill into law on June 10, 2002, which ''reaffirms support for continued enlargement of the North Atlantic Treaty Organization (NATO) Alliance; designates Slovakia for participation in the Partnership for Peace and eligible to receive certain security assistance under the NATO Participation Act of 1994; [and] authorizes specified amounts of security assistance for [fiscal year] 2002 for Estonia, Latvia, Lithuania, Slovakia, Slovenia, Bulgaria and Romania''; and

(H) United States membership in NATO remains a vital national security interest of the United States.

(2) Strategic rationale for NATO enlargement. The Senate finds that

(A) notwithstanding the collapse of communism in most of Europe and the dissolution of the Soviet Union, the United States and its NATO allies face threats to their stability and territorial integrity;

(B) an attack against Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, or Slovenia, or their destabilization arising from external subversion, would threaten the stability of Europe and jeopardize vital United States national security interests;

(C) Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia, having established democratic governments and having demonstrated a willingness to meet all requirements of membership, including those necessary to contribute to the defense of all NATO members, are in a position to further the principles of the North Atlantic Treaty and to contribute to the security of the North Atlantic area; and

(D) extending NATO membership to Bulgaria, Estonia, Latvia, Lithuania, Romania,

Slovakia, and Slovenia will strengthen NATO, enhance security and stability in Central Europe, deter potential aggressors, and advance the interests of the United States and its NATO allies.

(3) Full membership for new NATO members. The Senate understands that Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia, in becoming NATO members, will have all the rights, obligations, responsibilities, and protections that are afforded to all other NATO members.

(4) The importance of European integration.

(A) Sense of the Senate. It is the sense of the Senate that

(i) the central purpose of NATO is to provide for the collective defense of its members;

(ii) the Organization for Security and Cooperation in Europe is an institution for the promotion of democracy, the rule of law, crisis prevention, and post-conflict rehabilitation and, as such, is an essential forum for the discussion and resolution of political disputes among European members, Canada, and the United States; and

(iii) the European Union is an essential organization for the economic, political, and social integration of all qualified European countries into an undivided Europe.

(B) Policy of the United States. The policy of the United States is

(i) to utilize fully the institutions of the Organization for Security and Cooperation in Europe to reach political solutions for disputes in Europe; and (ii) to encourage actively the efforts of the European Union to continue to expand its membership, which will help to strengthen the democracies of Central and Eastern Europe.

(5) Future consideration of candidates for membership in NATO.

(A) Senate findings. The Senate finds that

(i) Article 10 of the North Atlantic Treaty provides that NATO members by unanimous agreement may invite the accession to the North Atlantic Treaty of any other European state in a position to further the principles of the North Atlantic Treaty and to contribute to the security of the North Atlantic area;

(ii) in its Prague Summit Declaration of November 21, 2002, NATO stated that the Alliance

(I)(aa) will keep its door open ''to European democracies willing and able to assume the responsibilities and obligations of membership, in accordance with Article 10 of the Washington Treaty'';

(bb) will keep under review through the Membership Action Plan (MAP) the progress of those democracies, including Albania, Croatia, and the Former Yugoslav Republic of Macedonia, that seek NATO membership, and continue to use the MAP as the vehicle to measure progress in future rounds of NATO enlargement;

(cc) will consider the MAP as a means for those nations that seek NATO membership to develop military capabilities to enable such nations to undertake operations ranging from peacekeeping to high-intensity conflict, and help aspirant countries achieve political reform that includes strengthened democratic structures and progress in curbing corruption;

(dd) concurs that Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia have successfully used the MAP to address issues important to NATO membership; and

(ee) maintains that the nations invited to join NATO at the Prague Summit ''will not be the last'';

(II)(aa) in response to the terrorist attacks on September 11, 2001, and its subsequent decision to invoke Article 5 of the Washington Treaty, will implement the approved ''comprehensive package of measures, based on NATO's Strategic Concept, to strengthen our ability to meet the challenges to the security of our forces, populations and territory, from wherever they may come''; and

(bb) recognizes that the governments of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia have successfully used the MAP to address important issues and have showed solidarity with the United States after the terrorist attacks on September 11, 2001;

(III) will create ''. . . a NATO Response Force (NRF) consisting of a technologically advanced, flexible, deployable, interoperable, and sustainable force including land, sea, and air elements ready to move quickly to wherever needed, as decided by the Council'';

(IV) will streamline its ''military command arrangements'' for ''a leaner, more efficient, effective, and deployable command structure, with a view to meeting the operational requirements for the full range of Alliance missions'';

(V) will ''approve the Prague Capabilities Commitment (PCC) as part of the continuing Alliance effort to improve and develop new military capabilities for modern warfare in a high threat environment''; and

(VI) will ''examine options for addressing the increasing missile threat to Alliance territory, forces and populations centres'' and tackle the threat of weapons of mass destruction (WMD) by enhancing the role of the WMD Centre within the International Staff;

(iii) as stated in the Prague Summit Declaration, Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia have ''demonstrated their commitment to the basic principles and values set out in the Washington Treaty, the ability to contribute to the Alliance's full range of missions including collective defence, and a firm commitment to contribute to stability and security, especially in regions of crisis and conflict'';

(iv) Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia have been acting as de facto NATO allies through their contributions and participation in peacekeeping operations in the Balkans, Operation Enduring Freedom, and the International Security Assistance Force (ISAF);

(v) Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia, together with Albania, Croatia, and the Former Yugoslav Republic of Macedonia, issued joint statements on November 21, 2002, and February 5, 2003, expressing their support for the international community's efforts to disarm Iraq; and

(vi) the United States will not support the accession to the North Atlantic Treaty of, or the invitation to begin accession talks with, any European state (other than Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia), unless

(I) the President consults with the Senate consistent with Article II, section 2, clause 2 of the Constitution of the United States (relating to the advice and consent of the Senate to the making of treaties); and

(II) the prospective NATO member can fulfill the obligations and responsibilities of membership, and the inclusion of such state in NATO would serve the overall political and strategic interests of NATO and the United States.

(B) Requirement for Consensus and ratification. The Senate declares that no action or agreement other than a consensus decision by the full membership of NATO, approved by the national procedures of each NATO member, including, in the case of the United States, the requirements of Article II, section 2, clause 2 of the Constitution of the United States (relating to the advice and consent of the Senate to the making of treaties), will constitute a commitment to collective defense and consultations pursuant to Articles 4 and 5 of the North Atlantic Treaty.

(6) Partnership for peace. The Senate declares that

(A)(i) the Partnership for Peace between NATO members and the Partnership for Peace countries is an important and enduring complement to NATO in maintaining and enhancing regional security; and

(ii) the Partnership for Peace has greatly enhanced security and ability throughout the Euro-Atlantic area, with Partnership for Peace countries, especially countries that seek NATO membership, and has encouraged them to strengthen political dialogue with NATO allies and to undertake all efforts to work with NATO allies, as appropriate, in the planning, conduct, and oversight of those activities and projects in which they participate and to which they contribute, including combating terrorism;

(B) the Partnership for Peace serves a critical role in promoting common objectives of NATO members and the Partnership for Peace countries, including

(i) increasing the transparency of national defense planning and budgeting processes;

(ii) ensuring democratic control of defense forces;

(iii) maintaining the capability and readiness of Partnership for Peace countries to contribute to operations of the United Nations and the Organization for Security and Cooperation in Europe;

(iv) developing cooperative military relations with NATO;

(v) enhancing the interoperability between forces of the Partnership for Peace countries and forces of NATO members; and

(vi) facilitating cooperation of NATO members with countries from Central Asia, the Caucasus, and eastern and southeastern Europe.

(7) The NATO-Russia Council. The Senate declares that

(A) it is in the interest of the United States for NATO to continue to develop a new and constructive relationship with the Russian Federation as the Russian Federation pursues democratization, market reforms, and peaceful relations with its neighbors; and

(B) the NATO-Russia Council, established by the Heads of State and Government of NATO and the Russian Federation on May 28, 2002, will

(i) provide an important forum for strengthening peace and security in the Euro-Atlantic area, and where appropriate for consensus building, consultations, joint decisions, and joint actions;

(ii) permit the members of NATO and Russia to work as equal partners in areas of common interest;

(iii) participate in joint decisions and joint actions only after NATO members have consulted, in advance, among themselves about what degree any issue should be subject to the NATO-Russia Council;

(iv) not provide the Russian Federation with a voice or veto in NATO's decisions or freedom of action through the North Atlantic Council, the Defense Planning Committee, or the Nuclear Planning Committee; and

(v) not provide the Russian Federation with a veto over NATO policy.

(8) Compensation for victims of the Holocaust and of Communism. The Senate finds that

(A) individuals and communal entities whose property was seized during the Holocaust or the communist period should receive appropriate compensations;

(B) Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia have put in place publicly declared mechanisms for compensation for property confiscated during the Holocaust and the communist era, including the passage of statutes, and for the opening of archives and public reckoning with the past;

(C) Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia have each adjudicated and resolved numerous specific claims for compensation for property confiscated during the Holocaust or the communist era over the past several years;

(D) Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia have each established active historical commissions or other bodies to study and report on their government's and society's role in the Holocaust or the communist era; and

(E) the governments of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia have made clear their openness to active dialogue with other governments, including the United States Government, and with nongovernmental organizations, on coming to grips with the past.

(9) Treaty interpretation. The Senate reaffirms condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe (CFE) of November 19, 1990 (adopted at Vienna on May 31, 1996), approved by the Senate on May 14, 1997, relating to condition (1) of the resolution of ratification of the Intermediate-Range Nuclear Forces (INF) Treaty approved by the Senate on May 27, 1988.

(10) Consideration of certain issues with respect to NATO decisionmaking and membership.

(A) Sense of the Senate. It is the sense of the Senate that, not later than the date that is eighteen months after the date of the adoption of this resolution, the President should place on the agenda for discussion at the North Atlantic Council

(i) the NATO ''consensus rule''; and

(ii) the merits of establishing a process for suspending the membership in NATO of a member country that no longer complies with the NATO principles of democracy, individual liberty, and the rule of law set forth in the preamble to the North Atlantic Treaty.

(B) Report. Not later than 60 days after the discussion at the North Atlantic Council of each of the issues described in clauses (i) and (ii) of subparagraph (A), the President shall submit to the appropriate congressional committees a report that describes

(i) the steps the United States has taken to place these issues on the agenda for discussion at the North Atlantic Council;

(ii) the views of the United States on these issues as communicated to the North Atlantic Council by the representatives of the United States to the Council;

(iii) the discussions of these issues at the North Atlantic Council, including any decision that has been reached with respect to the issues:

(iv) methods to provide more flexibility to the Supreme Allied Commander Europe to plan potential contingency operations before the formal approval of such planning by the North Atlantic Council; and

(v) methods to streamline the process by which NATO makes decisions with respect to conducting military campaigns.

SEC. 3. CONDITIONS

The advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia is subject to the following conditions, which shall be binding upon the President:

(1) Costs, benefits, burden-sharing, and military implications of the enlargement of NATO

(A) Presidential certification. Prior to the deposit of the United States instrument of ratification, the President shall certify to the Senate that

(i) the inclusion of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia in NATO will not have the effect of increasing the overall percentage share of the United States in the common budgets of NATO; and

(ii) the inclusion of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia in NATO does not detract from the ability of the United States to meet or to fund its military requirements outside the North Atlantic area.

(B) Annual reports. Not later than April 1 of each year during the 3-year period following the date of entry into force of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia, the President shall submit to the appropriate congressional committees a report, which may be submitted in an unclassified and classified form, and which shall contain the following information:

(i) The amount contributed to the common budgets of NATO by each NATO member during the preceding calendar year.

(ii) The proportional share assigned to, and paid by, each NATO member under NATO's cost-sharing arrangements.

(iii) The national defense budget of each NATO member, the steps taken by each NATO member to meet NATO force goals, and the adequacy of the national defense budget of each NATO member in meeting common defense and security obligations.

(C) Reports on future enlargement of NATO.

(i) Reports Prior to Commencement of Accession Talks. Prior to any decision by the North Atlantic Council to invite any country (other than Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia) to begin accession talks with NATO, the President shall submit to the appropriate congressional committees a detailed report regarding each country being actively considered for NATO membership, including

(I) an evaluation of how that country will further the principles of the North Atlantic Treaty and contribute to the security of the North Atlantic area;

(II) an evaluation of the eligibility of that country for membership based on the principles and criteria identified by NATO and the United States, including the military readiness of that country;

(III) an explanation of how an invitation to that country would affect the national security interests of the United States;

(IV) a United States Government analysis of the common-funded military requirements and costs associated with integrating that country into NATO, and an analysis of the shares of those costs to be borne by NATO members, including the United States; and

(V) a preliminary analysis of the implications for the United States defense budget and other United States budgets of integrating that country into NATO.

(ii) Updated Reports Prior to Signing Protocols of Accession. Prior to the signing of any protocol to the North Atlantic Treaty on the accession of any country, the President shall submit to the appropriate congressional committees a report, in classified and unclassified forms

(I) updating the information contained in the report required under clause (i) with respect to that country; and

(II) including an analysis of that country's ability to meet the full range of the financial burdens of NATO membership, and the likely impact upon the military effectiveness of NATO of the country invited for accession talks, if the country were to be admitted to NATO.

(D) Review and reports by the General Accounting Office. The Comptroller General of the United States shall conduct a review and assessment of the evaluations and analyses contained in all reports submitted under subparagraph (C) and, not later than 90 days after the date of submission of any report under subparagraph (C)(ii), shall submit a report to the appropriate congressional committees setting forth the assessment resulting from that review.

(2) Reports on intelligence matters.

(A) Progress report. Not later than January 1, 2004, the President shall submit a report to the congressional intelligence committees on the progress of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia in satisfying the security sector and security vetting requirements for membership in NATO.

(B) Reports regarding protection of intelligence sources and methods. Not later than January 1, 2004, and again not later than the date that is 90 days after the date of accession to the North Atlantic Treaty by Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia, the Director of Central Intelligence shall submit a detailed report to the congressional intelligence committees

(i) identifying the latest procedures and requirements established by Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia for the protection of intelligence sources and methods; and

(ii) including an assessment of how the overall procedures and requirements of such countries for the protection of intelligence sources and methods compare with the procedures and requirements of other NATO members for the protection of intelligence sources and methods.

(C) Definitions. In this paragraph:

(i) Congressional Intelligence Committees. The term ''congressional intelligence committees'' means the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives.

(ii) Date of Accession to the North Atlantic Treaty by Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia. The term ''date of accession to the North Atlantic Treaty by Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia'' means the latest of the following dates:

(I) The date on which Bulgaria accedes to the North Atlantic Treaty.

(II) The date on which Estonia accedes to the North Atlantic Treaty.

(III) The date on which Latvia accedes to the North Atlantic Treaty.

(IV) The date on which Lithuania accedes to the North Atlantic Treaty.

(V) The date on which Romania accedes to the North Atlantic Treaty.

(VI) The date on which Slovakia accedes to the North Atlantic Treaty.

(VII) The date on which Slovenia accedes to the North Atlantic Treaty.

(3) Requirement of full cooperation with United States efforts to obtain the fullest possible accounting of captured and missing United States personnel from past military conflicts or cold war incidents. Prior to the deposit of the United States instrument of ratification, the President shall certify to Congress that each of the governments of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia are fully cooperating with United States efforts to obtain the fullest possible accounting of captured or

missing United States personnel from past military conflicts or Cold War incidents, to include

(A) facilitating full access to relevant archival material; and

(B) identifying individuals who may possess knowledge relative to captured or missing United States personnel, and encouraging such individuals to speak with United States Government officials.

SEC. 4. DEFINITIONS.

In this resolution:

(1) Appropriate congressional committees. The term ''appropriate congressional committees'' means the Committee on Foreign Relations, the Committee on Armed Services, and the Committee on Appropriations of the Senate and the Committee on International Relations, the Committee on Armed Services, and the Committee on Appropriations of the House of Representatives.

(2) NATO. The term ''NATO'' means the North Atlantic Treaty Organization.

(3) NATO members. The term ''NATO members'' means all countries that are parties to the North Atlantic Treaty.

(4) North Atlantic area. The term ''North Atlantic area'' means the area covered by Article 6 of the North Atlantic Treaty, as applied by the North Atlantic Council.

(5) North Atlantic Treaty. The term ''North Atlantic Treaty'' means the North Atlantic Treaty, signed at Washington on April 4, 1949 (63 Stat. 2241; TIAS 1964), as amended.

(6) Protocols to the North Atlantic Treaty of 1949 on the accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia. The term ''Protocols to the North Atlantic Treaty of 1949 on the Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia'' refers to the following protocols transmitted by the President to the Senate on April 10, 2003 (Treaty Document No. 108–4):

(A) The Protocol to the North Atlantic Treaty on the Accession of the Republic of Bulgaria, signed at Brussels on March 26, 2003.

(B) The Protocol to the North Atlantic Treaty on the Accession of the Republic of Estonia, signed at Brussels on March 26, 2003.

(C) The Protocol to the North Atlantic Treaty on the Accession of the Republic of Latvia, signed at Brussels on March 26, 2003.

(D) The Protocol to the North Atlantic Treaty on the Accession of the Republic of Lithuania, signed at Brussels on March 26, 2003.

(E) The Protocol to the North Atlantic Treaty on the Accession of the Republic of Romania, signed at Brussels on March 26, 2003.

(F) The Protocol to the North Atlantic Treaty on the Accession of the Republic of Slovakia, signed at Brussels on March 26, 2003.

(G) The Protocol to the North Atlantic Treaty on the Accession of the Republic of Slovenia, signed at Brussels on March 26, 2003.

(7) United States instrument of ratification. The term ''United States instrument of ratification'' means the instrument of ratification of the United States of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia.

(8) Washington Treaty. The term ''Washington Treaty'' means the North Atlantic Treaty, signed at Washington on April 4, 1949 (63 Stat. 2241; TIAS 1964), as amended.

The Senator from Indiana, the chairman of the Foreign Relations Committee.

Mr. LUGAR. Mr. President, today the Senate has taken another step in making Europe whole and free. In June 2001, President Bush delivered a speech in Warsaw, Poland confirming that:

All of Europe's new democracies, from the Baltic to the Black Sea and all that lie between, should have the same chance for security and freedom—and the same chance to join the institutions of Europe.

Today the Senate ratified that vision and has voted overwhelmingly to enlarge the NATO alliance to include seven new members.

I would like to thank a number of people for their contributions to this important debate. Jessica Fugate, Kate Burns, and Mike Haltzel worked tirelessly to produce a resolution of ratification and committee report that enjoyed the unanimous support of the Foreign Relations Committee and has been ratified by the Senate. Bob Bradtke, of the Department of State; Kurt Volker, of the National Security Council, and Ian Brzezinski, of the Department of Defense; worked closely with committee staff to ensure strong administration support for the work we have completed today. Lastly, special thanks to Paul Gallis, of the Congressional Research Service, for his valuable contributions to the Committee's work and the Senate's review of the Protocols of Accession.

I especially thank the distinguished ranking member from Delaware, Senator BIDEN, for his cooperation and leadership on this important issue. This is the second major treaty the Foreign Relations Committee has guided to ratification in a few short months. I look forward to continuing our bipartisan partnership in the days and weeks ahead as we turn to the State Department authorization bill, the HIV/AIDS bill, and the Foreign Relations Authorization Act.

Mr. President, I know unanimous consent has been granted for the Senate to stand in recess. I look forward to welcoming the foreign ministers of the countries we greet today.

VISIT TO THE SENATE OF THE FOREIGN MINISTERS OF BULGARIA, ESTONIA, LATVIA, LITHUANIA, ROMANIA, SLOVAKIA, AND SLOVENIA

The PRESIDENT pro tempore. Under the previous order, the Senate stands in recess subject to the call of the Chair to greet the seven Foreign Ministers of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia.

RECESS SUBJECT TO THE CALL OF THE CHAIR

There being no objection, the Senate, at 10:08 a.m., recessed subject to the call of the Chair and reassembled at 10:22 a.m. when called to order by the Presiding Officer (Mr. COLEMAN).

LEGISLATIVE SESSION

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

MEASURES PLACED ON THE CALENDAR—S. 1009 AND S. 1019

The PRESIDING OFFICER (Mr. BURNS). The Senator from Minnesota.

Mr. COLEMAN. Mr. President, I understand there are two bills at the desk due for a second reading.

The PRESIDING OFFICER. The Senator is correct.

Mr. COLEMAN. I ask that it be in order to read the titles of the measures en bloc.

The PRESIDING OFFICER. Without objection, the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1009) to amend the Foreign Assistance Act of 1961 and the State Department Basic Authorities Act of 1956 to increase assistance for foreign countries seriously affected by HIV/AIDS, tuberculosis, and malaria, and for other purposes.

A bill (S. 1019) to amend titles 10 and 18, United States Code, to protect unborn victims of violence.

Mr. COLEMAN. I object to further proceedings en bloc.

The PRESIDING OFFICER. The bills will be placed on the Calendar.

ORDER OF PROCEDURE

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate now resume consideration of the energy bill until 11:30 today. I further ask consent that at 11:30 the Senate proceed to the consideration of S. 113, the FISA bill; provided further, that the previously scheduled cloture votes occur at 1:45 today as under the previous order.

Finally, I ask consent that at 12:45 today, Senator DEWINE be recognized to speak for up to 15 minutes in morning business.

The PRESIDING OFFICER (Mr. COLEMAN). Is there objection?

Without objection, it is so ordered.

ENERGY POLICY ACT OF 2003

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 14) to enhance the energy security of the United States, and for other purposes.

Mr. DOMENICI. Mr. President, I will proceed to discuss a proposed ethanol amendment that will be offered to this pending bill later in the proceedings when it is in order. When I am finished within a few moments, I will yield to the minority leader who will speak, and thereafter we will rotate back and forth for as long a time as we have this morning to discuss this measure.

Today the Senate will consider what will soon be offered as an amendment to S. 14, which I hope will become the renewable fuel standards portion of the comprehensive energy bill. The amendment offered today by the majority leader and the minority leader, and Senators INHOFE, DORGAN, LUGAR, JOHNSON, GRASSLEY, HARKIN, HAGEL,

DURBIN, VOINOVICH, NELSON of Nebraska, TALENT, DAYTON, COLEMAN, EDWARDS, CRAPO, and DEWINE—and if there are any others who desire to join in the amendment, it is obviously open for submitting their names as additional cosponsors.

This represents the culmination of a long and difficult debate about the U.S. transportation fuels policy. The amendment is the product of more than 4 years of work by the stakeholders and Members of this body and represents a solid compromise between disparate groups.

The amendment establishes a renewable fuels standard providing that a portion of the U.S. fuel supply will be provided by renewable domestic fuels, primarily ethanol, growing to 5 billion gallons a year by the year 2012. In addition to full support from the affected parties, the amendment also enjoys the administration's full support.

The Frist-Daschle amendment will promote increased domestic energy development, reduce oil imports, protect the environment, bolster our economy, and stimulate rural economic development by increasing production and use of domestic renewable fuels. I know there are a number of Senators who strongly opposed a similar amendment when it was offered and adopted last year. I expect them to offer a number of second-degree amendments this year again. This is their right, but I do expect—as the Senate did last year—the Senate to adopt the language of the Frist-Daschle amendment.

In view of the significant amount of work that has been put into this amendment and the consensus it represents among the affected parties, I urge my colleagues to adopt the amendment as offered, without amendments.

I yield the floor at this point.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. DASCHLE. Mr. President, I first want to commend the chairman of the Energy Committee for his strong statement in support and for his leadership on this and on so many of the issues pertaining to energy. I look forward to continuing to work with him as we proceed in consideration of this legislation.

I am also delighted to join with the distinguished majority leader in introducing the first amendment to the Energy Policy Act of 2003.

The fact that this is the first amendment reflects the importance of the subject that we will be discussing. It is my hope that the majority leader's endorsement will help assure enactment of this proposal at the earliest possible date.

It was 1990 when a number of us joined together, Republicans and Democrats, including then-Senate minority leader, Bob Dole, and TOM HARKIN, and we introduced the reformulated gasoline, or RFG, legislation as a provision of the 1990 Clean Air Act amendments.

The RFG provision, with its minimum oxygen standard, was adopted in the Senate by an overwhelming vote of 69–30. Eventually, it was signed into law by President George H.W. Bush.

I am proud to say that this program resulted in substantial improvement of air quality all over the country. It stimulated increased production of renewable ethanol and other oxygenates needed to meet the minimum oxygen standard.

In fact, between the onset of RFG in January of 1995 and January of 2003, production of ethanol has increased from 1 billion gallons per year to nearly 2.5 billion gallons.

This increased farm economy by hundreds of millions of dollars annually and reduced our dependence upon foreign oil by more than 100,000 barrels per day. Unfortunately, the detection of MTBE in ground water in the late 1990s required us to find a way to get MTBE out of gasoline without sacrificing the air quality and public health benefits of the RFG program.

The answer that my good friend, DICK LUGAR, and I conceived several years ago was the renewable fuels standard, which would eliminate the minimum oxygen requirement that some of our colleagues find problematic for urban centers and replace it with a nationwide renewable fuels standard.

This standard increases ethanol production and protects consumers by creating a credit trading system that provides an economic incentive to use the type of fuel that is most cost effective in the various regions of the country.

On May 4, 2000, I was proud to introduce, along with Senator LUGAR, the first iteration of the amendment that is before us today.

That proposal—similar to the one we are considering today—reconciled historically competitive interests in a manner that promoted a broad range of national policies.

It would protect ground water, enhance our national energy security, reduce greenhouse gas emissions, and promote investment and job creation in rural communities by tripling production of ethanol over the course of the next 10 years.

The essence of that proposal was incorporated into legislation reported by the Senate Environment and Public Works Committee in September 2000. Unfortunately, time ran out in the 106th Congress before final action could be taken on that Committee bill.

In the 107th Congress, Senator LUGAR and I again joined to introduce the Renewable Fuels Act. This legislation was incorporated into last year's Senate-passed energy bill as part of the fuels agreement with the support of 69 Senators. Unfortunately, time again ran out before the energy bill could be enacted into law.

This February, Senator LUGAR and I, Senator HAGEL, one of the real movers on this legislation early on, along with a growing number of our colleagues, reintroduced this latest iteration of the renewable fuels standard that we have now incorporated in this amendment. I am pleased that the Senate Environment and Public Works Committee has once again embraced it and reported it out of committee. That proposal, S. 791, is currently on the Senate calendar.

This chronology underscores the point that the time to pass this important legislation is now. The groundwork has been laid, and the case for the bill is established. The benefits of the renewable fuels standard for agriculture, the rural economy, energy and the environment are dramatic.

The legislation benefits agriculture. Next year, one in every three rows of corn grown in South Dakota will go into ethanol production. There are currently nine ethanol plants operating in South Dakota with two more under construction. Local corn prices have increased 10 cents per bushel near these plants, and USDA estimates that corn prices will increase 50 cents per bushel under the RFS. As a result, USDA has estimated that the RFS will raise farm income by $1.3 billion annually. Taxpayer outlays would drop dramatically because of resulting farm program savings.

This legislation benefits the rural economy. Over 5,000 South Dakotans have invested in these plants, and over 500 people are directly employed by the ethanol industry in the state. USDA estimates that for every 100-million-gallon ethanol plant built, 2,250 local jobs can be created throughout a community.

This legislation also enhances our energy security. Look at America's energy situation today: gasoline prices are high and America is importing close to 60 percent of the oil we use. At the same time, our substantial appetite for energy continues to grow. Over the next 10 years, the United States is expected to consume roughly 1.5 trillion gallons of gasoline. At the same time, we hold only 3 percent of the known world oil reserves.

The Renewable Fuels Standard will save the U.S. $4 billion in imported oil each year because we triple the use of renewable fuels over the next 10 years.

As for the environment, this legislation ensures that the clean air benefits that we have achieved because of the oxygenate standard are maintained through strong anti-backsliding language and addresses the serious problems of MTBE contamination.

Specifically, the amendment bans MTBE in 4 years, authorizes funding to clean up MTBE contamination and fix leaking underground tanks, allows the most polluted states to opt into the reformulated gasoline program, and provides all States with additional authority under the Clean Air Act to address air quality concerns.

The amendment also eliminates the oxygen requirement from the RFG program, a change that is very important to the efforts of States such as California and New York that are planning

to eliminate MTBE from their gasoline supplies in the near future.

To preserve the hard-fought air-quality gains that have resulted from the implementation of that requirement, the bill creates a renewable fuels standard that will nearly triple the use of renewable fuels like ethanol and biodiesel over the next 10 years.

Finally, the bill provides special encouragement to biomass-based ethanol, which holds great promise for converting a variety of organic materials into useful fuel, while substantially reducing greenhouse gas emissions.

This will have substantial benefits for the environment and for rural economies, while helping to lower our dangerous dependence on foreign oil.

Some of my colleagues from large coastal states have expressed concern that this amendment treats their constituents unfairly and seek a carve-out from its requirements. I respectfully suggest that their concerns are not supported by the facts.

Governors Gray Davis and George Pataki, one a Democrat and one a Republican, leaders of the two most populous States in the country, have stated publicly that their States are better off under the Renewable Fuels Act than they are under current law.

Their first priority by far is to get out from under the minimum oxygen standard that will force them to use ethanol when MTBE is eliminated from the gasoline supply. The amendment before us allows them that flexibility which they so desperately seek. Moreover, my colleagues from California and New York worry that even though their States will no longer be required to purchase ethanol as a result of the oxygen standard, the cost of gasoline will rise precipitously as a result of the RFS.

That is simply not the case. Last April the Energy Information Agency issued a report stating that the cost of establishing a renewable fuels standard is less than 1 cent per gallon for reformulated gasoline and less than 0.5 cent per gallon for all gasoline.

Just last month, the California Energy Commission issued a report stating that the recent increase in California's gasoline prices cannot be attributable to availability or cost of ethanol which is consistent with the EIA projections.

What is even more compelling is that California is using nearly twice the amount of ethanol this year than they would be required to under the RFS.

I understand that my colleagues are fighting for what they believe is in the best interests of their constituents, and I respect that. But my goal in promoting the renewable fuels standard is to solve a nationwide problem with a nationwide solution. My constituents would prefer not to give up the oxygen standard, which has played such an important role historically in expanding the production of ethanol. But I understand that states like California need greater flexibility in their gasoline supply. That is why I am willing to look for new prescriptions that allow States to use alternatives to ethanol and continue to promote the development of the domestic ethanol industry, which I believe is in the national interest.

The renewable fuels amendment meets that test. This legislation is a careful balance of often disparate and competing interests—and a compromise in the finest tradition of the U.S. Senate. Meeting our energy challenges is a difficult problem, but is also a great opportunity to demonstrate American strength and ingenuity.

This amendment takes advantage of both, and I look forward to its passage.

I thank the Chair for his support and effort, and I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I failed to indicate at the outset what has been mentioned by the distinguished minority leader at the outset. This is a jobs-producing measure. The entire energy bill, as we consider it, is a measure that will produce literally thousands of jobs for the American people. Right at the outset, the very first amendment is a clear indication of how in this bill we intend to produce, in this instance, agricultural jobs but not pure agriculture—industrial, as it relates to agriculture with the construction of ethanol plants in and out and around and about agricultural America.

Having said that, I know there are a number of Senators who want to speak. It was not for me to say that we have no consent agreement as to how we will proceed, but I saw the distinguished Senator, Senator TALENT, standing first. I might suggest, just for some orderliness, he proceed next, and the distinguished Senator from Nebraska follow that. Then, if other Senators are here, and they seek recognition—

Mr. BOND. Mr. President, may I ask my good friend if he would mention my name in that list?

Mr. DOMENICI. I wonder, considering the condition of the distinguished Senator, if he might proceed first.

Mr. TALENT. I was going to suggest that to the Senator from New Mexico and the Chair.

Mr. DOMENICI. Might we amend that, then, and have Senator BOND go first, Senator TALENT, and then the Senator from Nebraska? Is that all right? We will proceed in that manner.

I yield the floor.

Mr. BOND. Mr. President, I thank my friend from New Mexico and I appreciate his kindness, and also my colleagues from Missouri and Nebraska.

I rise today in support of the renewable fuels standard, as passed by the Senate Environment and Public Works Committee on which I have the privilege of sitting.

This package provides a means for significant reductions in our dependence on foreign oil while we pursue cheaper energy for consumers that is produced in rural America by our hard-working farmers and ranchers.

I have spent a lot of years in the Senate Chamber talking about these issues. Recently a friend complained to me that he was tired of me talking about biodiesel. We first started talking about it a long time ago. But I am pleased to have the burr under the saddle to point out that biodiesel and ethanol are vitally important elements for our energy program.

I am pleased to see so many of our colleagues joining in the fight today. My good friend Senator JIM TALENT from Missouri has been a leader on the Energy Committee. I know my colleague Senator HAGEL from Nebraska has long been a champion of ethanol. I add my thanks and my appreciation to the distinguished chairman of the Environment and Public Works Committee, Senator INHOFE of Oklahoma, for taking the leadership position on this issue.

Increasing the use of renewable fuels such as ethanol and biodiesel diversifies our energy infrastructure, making it less vulnerable to acts of terrorism while increasing the number of available fuel options, enhancing competition, and potentially reducing consumer costs of fuel.

Speaking of decreased fuel costs, I am reminded of some of the comments of my colleagues during consideration of this package in the Environment and Public Works Committee. At that time, it was suggested that ethanol as an oxygenate was the cause of high fuel prices in California and other areas. I bet we will hear that argument again.

Just as a marker, note this fact. I refer my colleagues to the recent California Energy Commission report promulgated by Gov. Gray Davis. In discussing the report's findings, California Energy Commission chairman William Keese indicated that ''Ethanol, the ingredient, did not have an impact that we can see on prices. . . .''

Frankly, that ought to answer the questions and concerns that undoubtedly will be raised on the floor. In fact, I would argue that ethanol and biodiesel actually reduced the consumer cost of fuel by extending supplies, offering alternatives to more costly imported oil, and providing leverage for independent fuel marketers to compete against the larger, more powerful integrated oil companies.

The renewable standard will more than double the amount of renewable fuel we use. I am told that renewable fuel use will increase to about 3 percent of our total transportation fuel supply, replacing roughly 66 billion gallons; that is, 1.6 billion barrels of foreign crude oil by 2012.

Of course, the environmental benefits of transitioning from petroleum fuels to clean, domestically produced renewable ethanol and biodiesel is clear. Not only can we reduce our dependence on foreign oil but with the renewable standard our environmental goals of

reducing hydrocarbon, particulate sulfur, and other polluting emissions would be pursued.

This RFS will also have a positive impact on the economy, particularly in rural areas which have been hardest hit in the economic slowdown.

According to studies, the renewable standard would create as many as 300,000 American jobs, increase net farm income by $6.6 billion a year, and reduce farm program payments by $7.8 billion. In other words, we can reduce farm program payments and increase net farm income by a combined total of $14.4 billion. Not many programs give you that much bang for the buck.

One farm analyst said that as many as 13.1 million acres of corn can be used to supply ethanol by 2012. That is almost 19 percent of last year's corn production. Today, only 6 percent of the crop goes into ethanol.

In our home State, Missouri corn farmers could see an average increase of about 12 cents per bushel over the next 10 years. Similarly, our soybean farmers will see increased benefits as biodiesel use will increase dramatically.

I encourage and invite my colleagues to come out to the heartland to see what we have. Come out and visit Nebraska, Missouri, and Iowa and see what this industry is all about. We could all learn the benefits of ethanol, soy diesel, and biodiesel. We will see how the homegrown renewable fuel benefits the environment, the economy, and our communities. Come out to my State and see what farm leaders have done to provide value-added opportunities for Missouri farmers.

In 1994, Golden Triangle Energy of Craig, MO, and Northeast Missouri Grain Processors of Macon, MO, organized as new generation cooperatives. Northeast Missouri Grain Processors opened their plant on April 29, 2000. I was pleased to be there. It had been producing 22 million gallons of ethanol per year. They have just flipped the switch on an additional capacity to make over 40 million gallons a year.

Come to Missouri and visit the communities and areas where ethanol production is underway and see the impact of the expanding usage of fuel through this renewable standard on Main Street, U.S.A.

I now defer to my colleagues. I thank them for their kind accommodation. I express my thanks also to the distinguished manager of this bill, who is doing an outstanding job. We look forward to seeing a good energy bill passed. But a good energy bill must have a good renewable fuel standard.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. TALENT. Mr. President, I thank my colleague from Missouri for his kind comments.

It is a great pleasure to be here today to talk on behalf of such an important amendment and to recognize that we certainly have come a long way.

For many years, our Nation has needed a sound and balanced energy policy that includes a renewable fuels standard. For many years, we have all talked and talked about alternative energy, about renewable energy, and today with the first bipartisan leadership amendment of this Congress, the Republican and Democratic leaders have introduced the renewable fuels standard legislation as an amendment to S. 14.

I believe what has happened today stands on the shoulders of the work by many of the most distinguished Members of this body in the last decade. We heard from the senior Senator from Missouri. We are going to hear from the Senator from Nebraska and the compromise, if you will, in the last Congress.

The renewable fuels standard is the biggest single reason I sought to get on the Energy Committee. I am proud to be one of the cosponsors of the amendment and to be associated with what is going to happen today. I know there are going to be many chances to come to the floor and fend off various second-degree amendments from opponents of renewable fuels. So I will keep my initial comments brief today. I look forward to future opportunities to discuss other aspects of the amendment.

I note also at the outset that this legislation is supported by a historic coalition. When you get a coalition that ranges from the Farm Bureau to the American Petroleum Institute, it tells you the consensus that has been created finally on behalf of this idea. It is because it is a good idea. It is because it is the right thing to do. It is at the crux of so much we all want for Americans. It is at the crux of economic growth in jobs. It is at the crux of energy security. It is at the crux of environmental quality and value-added agriculture and family farming.

An article ran on April 23 in the Daily Statesman, which is the daily paper in Dexer, MO. The headline was ''Missouri Job Loss Rate Number One in the Nation.'' Last year, Missouri lost 77,000 jobs. The enactment of the renewable fuels standard will, first and foremost—and right away—bring thousands of jobs to Missouri, and tens and tens of thousands of jobs—hundreds of thousands of jobs—to the country.

We are talking about long-term good jobs in agriculture, in trade, in transportation, in energy, and in food processing. We are talking about jobs on the farm. We are talking about construction jobs to build these plants and maintain them. We are talking about jobs for the suppliers of these ethanol plants. We are talking about jobs for those who buy the ethanol and the byproducts. We are talking about transportation jobs in shipping the ethanol. We are talking about trade opportunities for the United States. It will happen as a result of what I believe the Senate is going to do today.

A recent study found that increasing ethanol production to 5 billion gallons annually would create 214,000 jobs in the country, $5.3 billion in new investment, and increase household income by $51 billion. I want those benefits for this country, and I want those benefits for Missouri.

These increasingly modern ethanol plants are equipped to produce 40 million gallons of ethanol a year. I have visited the plants, as has my colleague, Senator BOND, in Missouri, plants we already have in Craig and Macon. The economic benefits of one of those plants are significant. They include an increase of household income for the community, the county in which these plants are operated; many of these counties have been struggling economically. It includes an increased household income of $20 million for these counties annually. Additional farmer cooperatives around the State of Missouri are organizing funding in an effort to produce even more ethanol in Missouri. I know this is happening in Nebraska. It is happening all over the Midwest. It is going to continue happening.

Ethanol is also at the crux of energy security for America. Ethanol, biodiesel, and other renewable fuels are going to be playing an increasing role in reducing the need for imported oil. This is an area where I have to respectfully disagree with the opponents of the renewable fuels standard.

I am very strongly in support of providing incentives for increased exploration and recovery of oil reserves in this country. And we have a progrowth, proenergy energy bill, largely because of the efforts of the distinguished chairman of the Energy Committee. I have supported every effort to increase the amount of oil reserves we have in the United States and that we can practically explore and recover.

But it is clear that we cannot just drill our way out of our dangerous oil dependency. We have to have other alternatives, and ethanol and biodiesel are the alternatives we have now—not 5 years, not 10 years, not 15 years from now, but now—to reduce our dependence on oil imports. I do not ever want to be in a situation again where we are sending $4 billion a year to somebody like Saddam Hussein to buy oil, and depending on regimes like that one for the health of our national economy.

Ethanol is a key to energy independence for the United States. The United States is increasingly dependent on imported energy to meet our personal, transportation, and industrial needs. As a domestic, renewable source of energy, ethanol can reduce our dependence on foreign oil and increase the United States' ability to control its own security and economic future. Our energy policy should first and foremost promote domestic, renewable fuels, not foreign oil imports.

This is an area where I respectfully disagree with the opponents of renewable fuels standard. It is clear that we cannot drill our way out of our dangerous oil dependency—especially

without access to the oil in Alaska's ANWR. America's national, energy, and economic security are vulnerable due to our dangerous dependence on oil imports.

In 1999, America was importing over 55 percent of its oil and petroleum products. Just 2 years later, our dependency increased to over 59 percent. By 2025, the Energy Information Administration projects the U.S. will import nearly 70 percent of its petroleum. Something must be done.

It is absolutely necessary that we take steps to reduce our dependence on foreign oil. Over the next decade the RFS will reduce crude oil imports by an estimated 1.6 billion barrels.

In addition to the establishment of a national ethanol standard, the amendment has other important provisions that include an orderly phase-down of MTBE use and removal of the oxygen content requirement for reformulated gasoline. That is very important, and it is very important to the environment.

I am sure that over the coming weeks we are going to have a lot of opportunities to debate things such as climate change and CAFE standards. I remind opponents of this amendment that ethanol is one of the best tools we have to fight air pollution from vehicles. I encourage all proenvironment organizations to score this amendment as a vote in favor of America's air quality.

The use of ethanol-blended fuels reduces greenhouse gas emissions by 12 to 19 percent compared with conventional gasoline. The American Lung Association of Chicago credits ethanol-blended reformulated gasoline with reducing smog-forming emissions by 25 percent since 1990. Again, this is an alternative which we have today to protect the environment.

The chairman's energy bill contains many exciting opportunities for the development of clean hydrogen vehicles. I support that. But those technologies are a long way off.

My children may drive hydrogen cars. Today I can drive a car fueled by ethanol. A couple weeks ago, I visited a Break Time convenience store in Columbia, MO, that is selling ethanol at the same price that it is selling regular gasoline.

Renewable fuels such as ethanol and biodiesel provide a solution to our air quality problems that we can use now. Today you could fill your car with an ethanol blend or a biodiesel blend—without any changes to your vehicle. The chairman's energy bill contains many exciting opportunities for the development of a clean, hydrogen vehicle, but we all know these technologies are a long way off. My children may be driving these hydrogen cars, but today I can drive a car fueled by ethanol. Fleet vehicles in Missouri can run on ethanol or biodiesel without any costly engine upgrades—today.

The use of these renewable fuels will bring environmental benefits in the short term while we continue to explore long-term opportunities such as hydrogen cars and other technologies.

As I said, I recently toured both of the ethanol plants in Missouri and visited an ethanol fueling station during the April recess. I have to tell you, this is an exciting and innovative way to add value to traditional commodities. The use of grain for ethanol production adds up to 30 cents to every bushel of corn. Not only do farmers benefit from the higher price but also by joining cooperative and building ethanol production facilities. They are able to directly take advantage of the value-added market through ownership of the plant. They continue to make money during times of price volatility.

There is no question that the renewable fuels standard will reduce our dependence on foreign oil. It will slow the deterioration of the environment through the reduction of fossil fuel emissions, enhance national, energy and economic security, create a new industrial base with tens of thousands of new, high quality jobs, and add value to traditional commodities.

I am happy to join Senate Leadership in offering this amendment. It is time that we make the RFS a part of our national energy policy.

Mr. President, I want to say how pleased and proud I am to be a part, in a small way, of this effort. I am especially pleased that this is the first bipartisan amendment that is being offered on the Senate floor. It will strengthen this energy bill we put together under the leadership of Senator DOMENICI. It is something we can all stand up and support.

I hope we will get a thumping, bipartisan majority in support of this amendment. Again, it is a key to jobs. It is a key to energy independence. It is a key to environmental quality. And it is a key to value-added agriculture and the family producers in Missouri and around the country. I am pleased to speak in favor of it.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, we are going to hear now from one of the early proponents of ethanol and of this bill and of this composite that ultimately got such broad bipartisan support. It is my privilege to have as a supporter of this amendment and of the energy bill the distinguished Senator from Nebraska, Mr. HAGEL.

I thank the Senator for all the work he has done in this area and for all the help he has given me by way of advice on the energy bill, which is pending before the Senate, of which this will become an integral and vital part. Thank you so much.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. HAGEL. Mr. President, I first want to recognize the comments of the distinguished chairman of the Energy Committee. He is far too generous, but that is usually his nature. And I appreciate very much his thoughtful words.

I appreciate the comments of my friend from Missouri. I think they cut to the essence of what this issue is about, as well as the comments of our dear friend, the senior Senator from Missouri.

(Mr. DOMENICI assumed the chair.)

Mr. HAGEL. Mr. President, I am privileged to be part of this effort because I do not believe there is anything more important for the future of this country than to establish an energy policy that we can build upon; that does, in fact, move right to the core of our national security, our economic growth, and all of the elements that are interconnected for the future of this country.

So I come to the floor this morning to address briefly some of the elements of this amendment that will be offered and to, once again, register my strong support of the renewable fuels standard amendment to the energy bill.

I, like my colleagues who have spoken prior to me, wish to recognize and thank the leadership of Majority Leader FRIST and Minority Leader DASCHLE for getting this amendment to the floor, and, of course, the distinguished chairman of the Energy Committee, Senator DOMENICI, for allowing us to have what many of us believe is a very important amendment to be the first amendment up on the energy bill, of which I am a strong proponent and supporter.

This amendment, as we have heard, would enhance air and water quality, reduce supply and distribution challenges in the gasoline market, and increase energy security by expanding the use of clean, domestically produced renewable fuels.

Specifically, this amendment follows the advice of the EPA's Blue Ribbon Panel on Oxygenates by repealing the Federal oxygenate mandate and phasing out the use of MTBE nationwide. It also contains a reasonable renewable fuels standard, which would gradually increase the Nation's use of renewable fuel to 5 billion gallons a year by 2012—all of this while protecting the environmental gains already made by the reformulated gasoline program.

This legislation mirrors the bipartisan fuels agreement in last year's Senate energy bill, of which it has been stated here this morning gained the votes of 69 Senators. This year, we have worked to build an even broader bipartisan coalition of cosponsors. Much has happened since the Senate passed its energy bill last year. The renewable fuels industry has expanded considerably to meet growing demand.

The ethanol industry opened 12 new plants last year, with 10 additional plants now under construction. Sixteen of these new plants are farmer owned—farmer owned—individually owned cooperatives.

By the end of 2003, annual ethanol production capacity is expected to exceed 3 billion gallons. In December, the ethanol industry wrapped up a record year—2.13 billion gallons in 2002, up by more than 20 percent over 2001.

Also, Chevron Texaco announced earlier this year it will switch from blending MTBE to blending ethanol in the southern California market, making Chevron the last of the large California refiners to make the switch to ethanol. This means that this year approximately 80 percent of California's federally reformulated gasoline will be blended with ethanol.

We should not forget that biodiesel, made primarily from soybeans, and still a developing fuel technology, has grown enough that it is now used in more than 200 State and Federal automobile fleets, using a 20-percent blend or higher.

Today, 16 States have already banned or are in the process of banning MTBE. With State MTBE bans will come increased challenges to fuel distribution and supply.

The national phase-down of MTBE proposed in this bill will help us meet these challenges. And a national renewable fuels standard with a credit and trading program—that makes sense, which is relevant, which has common sense—will ensure that renewable fuels are used where they make the most sense—not a mandate, where they make the most sense.

In fact, according to a recent analysis by the Department of Energy, enacting this fuels bill would even reduce refiner costs at least by .2 percent per gallon compared to current law.

The standard in this amendment is a fair and workable compromise we crafted over a year ago. My friend from Missouri, Senator TALENT, referenced the compromise, referenced the organizations that came together over a long period of time to fashion a very workable alternative, built upon the good work of many you have heard referenced this morning: Senator DASCHLE, Senator LUGAR, so many who have worked so hard for so many years, Senator DOLE. It has not just come from corn and soybean-producing States. It has come from the leadership of individual Senators with a wider lens of understanding of national security issues, environmental issues, and economic issues, because they are all interconnected.

This effort was bolted together by many people who deserve much credit: The American Petroleum Institute, National Farm Bureau, the environmental community, Northeast air directors, agriculture groups from all over the country, DOE, EPA, and many others. Senator DASCHLE and I helped facilitate those talks last year, as well as a number of our colleagues who are here today and will most likely speak today.

Contrary to the opponents of this amendment, this is not a per-gallon mandate. It will not force a specific level of compliance in places where compliance may be difficult. In fact, the credit trading provision in this amendment will give flexibility to refiners who utilize ethanol or biodiesel where it is most economically attractive.

Our Nation needs a broader, deeper, and more diverse energy portfolio. Today less than 1 percent of America's transportation fuel comes from renewable sources. Under this amendment, renewable fuel would increase to approximately 3 percent of our total transportation fuel supply, tripling the amount of renewable fuel we now use. Today America imports nearly 60 percent of the crude oil it consumes. The Senator from Missouri defined in some detail the numbers. We continue to hold our economy, our national security, hostage to foreign oil.

This country consumes more than 300 billion gallons of crude oil a year. Of that, 165 billion gallons is refined into gasoline and diesel. This amendment says that by 2012, not less than 5 billion gallons of that 165 billion gallons shall come from renewable sources.

By enacting this legislation, we would replace 66 billion gallons of foreign crude oil by 2012, reduce foreign oil purchases by $34 billion, create more than 250,000 jobs nationwide, and boost U.S. farm income by more than $6 billion a year.

I join my other colleagues who have spoken this morning—and others who will speak today—to enthusiastically encourage all our colleagues to pay attention to the amendment, to be aware of its consequences, have some sense of why this is just not another renewable fuels amendment. It has dramatic implications for the future of the economy, for our national security, and our independence. It also helps America address the additional and important environmental challenges that lie ahead. This is an amendment about America's future.

I thank the Chair and yield the floor.

The PRESIDING OFFICER (Mr. BURNS). The Senator from Minnesota.

Mr. COLEMAN. Mr. President, I want to add my voice in support of the renewable fuels standard amendment that has been offered by the majority leader and the Democratic leader.

This may be a bit unconventional for a place like the Senate floor, but I want to begin my remarks by talking about duct tape. I am not talking about it in connection to homeland security, or even the fact that one of the largest producers, 3M Corporation, is in my home city of Saint Paul.

Duct tape is probably in every garage in Minnesota and on most work benches. Why? Because you can do so many things with it. For those of us who are mechanically challenged it is essential. It is cheap. It is simple. You can use it for temporary car repair, plumbing, picture hanging . . . I even heard of a guy who used it on a duct! The point is that it is valuable because it can do many things well.

The renewable fuels standard we are talking about today is a duct tape kind of proposal. It will decrease our dependence on foreign oil. It will help keep America's air and water cleaner. It will increase the income of our hard working farm families. And it will provide economic development and jobs for rural Minnesota. I am not sure if there is one other thing we could do as a national government that would do more good, for more people, at less expense and with no down side than set a renewable fuels standard. Allow me to explain in further detail.

Today 56 percent of our oil comes from foreign sources. As frightening as that statistic is, we are heading in the wrong direction: becoming more dependent as the years go by. When George Washington gave his Farewell Address, he warned us solemnly to ''avoid entangling alliances.'' We compromise the sovereignty of our Nation by giving other nations that powerful leverage on our people.

This reasonable renewable fuels standard would reduce our dependence on foreign oil by 1.6 billion barrels over the next 10 years. That would make us an even stronger nation because we would be winning back the power to determine our own destiny.

In Minnesota, we put a high value on clean air and clean water. Carbon monoxide, hydrocarbons, Nitric Oxide, and other toxins and particulates are responsible for countless environmental and health problems. As a matter of compassion, we must act to reduce these pollutants to avoid the suffering they cause. As a matter of health policy, the best way to contain costs is to prevent people from becoming sick in the first place.

Studies have shown that ethanol can reduce emissions of hydrocarbons by 20 percent and particulates by 40 percent. I believe biodiesel holds out the same promise. Right down the road from Minnesota in Chicago, ethanol use helped bring that huge city under the federal standard for ozone. Phasing out MBTE will have a dramatic impact all by itself.

As I spend time with Minnesota's farm families, they don't beat around the bush—whom they support, I might add, in large numbers. They don't care to listen to a lot of fancy speeches. They say, ''Senator you can help us if you do two things: lower our costs and raise our prices. We'll do the rest.'' The great folks who feed the world and undergird our economy—at great personal risk and sacrific—deserve to be heard and listened to.

Pure and simple: it is better to send corn and soybeans to ethanol and biodiesel plants to create energy then it is to send too much to the elevators and depress prices.

The Department of Agriculture estimates that ethanol adds 30 to 50 cents of additional value to every bushel of corn produced in the United States. That is a difference consumers of corn flakes will never notice, but it is a huge change at the margin for hundreds of thousands of hard working American farmers.

And make no mistake: farmers need help right now. In recent years, those who provide us with the safest, most abundant, most affordable food supply

in the world have been struggling with the lowest real net cash income since the Great Depression, record low prices, record high costs of production, and foreign tariffs and subsidies some 5 and 6 times higher than our own.

President Kennedy once said that ''the farmer is the only man in our economy who buys everything he buys at retail, sells everything he sells at wholesale, and pays the freight both ways.'' The RFS is an opportunity to turn things around for our farm families: to give them a chance to earn a living off the market while yielding huge economic, environmental and energy dividends.

As every Senator should know, farm policy and rural development go hand in glove. The key to so many rural communities is for them to reap a greater economic benefit from the things they produce. If they just harvest the crops or raise the cattle and watch them roll over the hill for someone else to process and profit from, that is not going to maximize economic development and job growth potential in the area. They need to add value to those products.

There are no better examples of this than ethanol and biodiesel. Let me talk for a moment about what many call the ''Minnesota Miracle.'' I hold it out to Members of other States as an incentive for what approving an RFS could mean to your communities.

The State of Minnesota leads the Nation in promoting the production and use of ethanol. Nearly all of Minnesota's 2.6 billion gallons of gasoline are blended with 10 percent ethanol, reducing fuel imports by 10 percent. Today, Minnesota boasts 14 ethanol plants—13 of which are owned by Minnesota farmers. And, what these 14 plants have produced—besides ethanol—is truly phenomenal: 40,000 jobs, over a half billion a year in economic activity, and $15 million in tax revenues.

Now, on a national scale, studies suggest that the RFS will, over the next decade, reduce our Nation's trade deficit by more than $34 billion, increase our gross domestic product by $156 billion, create more than 214,000 new jobs, expand households income by some $51 billion, increase net farm income by nearly $6 billion per year, while cleaning our air and water and displacing 1.6 billion barrels of foreign oil. In short, the RFS will allow Minnesotans to build on our State's success while creating new opportunity and promise throughout the country.

Mr. President, I am proud to stand here today in the shadow of the work Senator HAGEL has done, the work the chairman of the Energy Committee has done, and stand in support of the amendment offered by the majority leader and Democratic leader, an amendment that will promote energy independence, cleaner air and water, stronger farm prices, and viable rural communities. Renewable fuel standards will do all these things. That does duct tape one better.

I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, I compliment the distinguished Senator from Minnesota not only on his remarkable statement, but likewise on the Minnesota miracle. The work in his State is truly a manifestation of all that can come from the legislation we are discussing today in terms of jobs, income for farmers and, most important, greater energy independence and cleaner air for our country.

I am delighted to join my colleague from Minnesota in presenting and sponsoring and commending the majority leader and the minority leader for presenting this legislation to us today.

I am a strong advocate of this initiative to establish a nationwide renewable fuels standard as a part of America's national energy policy. Moving from a hydrocarbon to a carbohydrate economy will increase energy independence, reduce oil imports, protect air and water, reduce greenhouse gas emissions, and stimulate rural economies. The renewable fuels amendment we are considering today does all of these things, which is why I regard it as an essential component of the Energy Policy Act of 2003.

The renewable fuels amendment is the culmination of years of effort. As a result of the hard work, today's amendment enjoys strong support from both parties and a broad array of interest groups.

Several years ago, Senator DASCHLE and I first introduced a bill creating a renewable fuels standard. It has been my privilege to speak with Senator DASCHLE for many years on behalf of this concept, in front of various groups in our country, as well as with our colleagues in the Senate. I have treasured my friendship with Senator DASCHLE on the Agriculture Committee of the Senate. There we have had many hearings and productive discussions. The Renewable Fuels Act of 2001, the bill Senator DASCHLE and I introduced, represented an important step toward reducing our dependence on foreign oil and improving our Nation's energy security. At the same time, this proposal went far toward protecting the environment, supporting rural economic development, and increasing the flexibility of the national fuel supply to reduce the impact of future price spikes. Last year Senator DASCHLE and I incorporated that legislation into the Senate Energy bill. I am hopeful this year my colleagues will again demonstrate that they appreciate the importance of the renewable fuels standard to our country, and I am confident we will do so.

When reflecting back on recent history, one trend that should disturb every American is our growing dependence on oil imports. Set that trend against the many political crises erupting in oil-rich regions around the world, and it is clear our addiction to oil must be curtailed. I believe part of the answer lies with the development of cheap, plentiful, renewable sources of energy. The current tax incentive for ethanol has helped foster creation of a strong domestic renewable fuels industry. But more needs to be done to reduce the cost of ethanol production and to make the commodity more competitive with fossil fuels. It is time for a nationwide renewable fuels standard.

Recent and prospective breakthroughs in genetic engineering and processing are radically changing the viability of ethanol as a transportation fuel. It is now possible to use biomass, meaning virtually any plant or plant product, to produce renewable fuels. So-called cellulosic ethanol may decisively reduce the cost of ethanol, to the point where petroleum products may soon face vigorous competition.

In 1999, James Woolsey, former director of the CIA, and a consultant on many important issues, and I coauthored an article in Foreign Affairs magazine that talked about our strategic need for energy independence—at least outlined how a biomass strategy, which included ethanol from many sources, was a critical part of that strategy.

In 1999, following publication of that article in Foreign Affairs, I introduced a bill that now drives many of these scientific breakthroughs. The Biomass Research and Development Act accelerated and coordinated the biomass research and development activities of Federal agencies. Soon after this bill was enacted into law as Title III of the Agricultural Risk Protection Act of 2000, a bill that came out of the Senate Agriculture Committee, its competitive research and development program began accelerating production of biofuels, biochemicals, and biopower. Today's amendment will build on that initiative in a very large way by offering an incentive to producers of cellulosic ethanol.

I am proud of the significant progress we have already made to support renewable fuels. We have made great strides toward strengthening our national security, improving our rural communities, and protecting our natural environment.

With today's amendment, we will move still closer to a safer and more prosperous tomorrow for our country and for the world. I strongly encourage my colleagues to support this important initiative.

I thank the Chair, and I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, I say to fellow Senators, we are on this bill

until 11:30 a.m. for purposes of discussing the pending amendment. So I say to anybody who wishes to discuss it, we have this additional time now. There may be time in the future, but this is assured time now for anybody who wishes to speak.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mrs. FEINSTEIN. Mr. President, I want to take this opportunity to make a few comments as a member of the Energy Committee on the energy bill that is on the floor and which will be subject to amendment tomorrow morning. I believe the ethanol amendment will be taken up.

There is an overarching possibility in this energy bill. It can provide the opportunity to properly fix the badly broken energy market, to reduce our consumption of oil, and to increase energy production while protecting our environment and addressing climate change. But at this point, the Energy Policy Act of 2003 is missing much of what is needed for a balanced, comprehensive energy policy for this Nation.

I voted against the bill in the Energy Committee because of what is missing. I look forward to the opportunity to amend this legislation.

First, I believe the bill needs stronger consumer protection to fix our broken energy market and to prevent another energy crisis like the one we experienced in the West.

Second, we must increase the fuel efficiency of our vehicles to reduce the amount of oil we consume, to lessen the amount of carbon dioxide, the No. 1 greenhouse gas released into our atmosphere, and to save families and businesses money at the pump.

Third, we must increase our energy production while protecting our environment. This means not infringing on environmentally sensitive areas such as the Alaska National Wildlife Refuge or the water off the California and Florida coasts.

Fourth, we should address global warming and establish plans to combat climate change.

Fifth, we must encourage the development of new renewable power from solar, from wind, and from geothermal resources instead of continuing to subsidize traditional production from nuclear power, for example.

Three years ago this month, California's energy market began to spiral out of control. In May of 2000, families and businesses in San Diego saw their energy bill soar. The Western energy crisis forced every family and business to pay for more energy. The crisis forced the State of California into a severe budget shortfall. It forced the State's largest utility into bankruptcy and nearly bankrupted the second largest utility. Now, 3 years and $45 billion in cost later, we have learned how the energy market in California was gamed and abused.

In March, the Federal Energy Regulatory Commission issued the ''Final Report on Price Manipulation in Western Markets which confirmed that there was widespread and pervasive fraud and manipulation during the Western energy crisis. The abuse of our energy market was so pervasive and unlawful. Yet this energy bill does not go far enough to prevent another Western energy crisis and to curb illegal Enron-type manipulation.

Remember, this type of fraud and abuse was not limited to just Enron. There was fraud and abuse across the board, according to the Federal Energy Regulatory Commission. One of the best examples of this illegal behavior is demonstrated by the transcript from Reliant Energy that revealed how their traders intentionally withheld power from the California market in an attempt to increase prices. This is one of the most egregious examples of manipulation, and it is clear and convincing evidence of coordinated schemes to defraud consumers.

Let me read one part of the transcript to demonstrate the greed behind the market abuse by Reliant and its traders.

On June 20, 2000, two Reliant employees had the following conversation that revealed the company withheld power from the California market to drive prices up.

Reliant Operations Manager 1: I don't necessarily foresee those units being run the remainder of this week. In fact you will probably see, in fact I know, tomorrow we have all the units at Coolwater off.

The Coolwater plant is a 526 megawatt plant.

Reliant Plant Operator 2: Really?

Reliant Operations Manager 1: Potentially. Even number four. More due to some market manipulation attempts on our part. And so, on number four it probably wouldn't last long. It would probably be back on the next day, if not the day after that. Trying to uh. . .

Reliant Plant Operator 2: Trying to shorten supply, uh? That way the price on demand goes up.

Reliant Operations Manager 1: Well, we'll see.

Reliant Plant Operator 2: I can understand. That's cool.

Reliant Operations Manager 1: We've got some term positions that, you know, that would benefit.

Six months after this incident, as the Senate Energy Committee was attempting to get to the bottom of why energy prices were soaring in the West, the president and CEO of Reliant testified before Congress that the State of California ''has focused on an inaccurate perception of market manipulation.''

Reliant's president and CEO went on to say, ''We are proud of our contributions to keep generation running to try to meet the demand for power in California. Reliant Energy's plant and technical staffs have worked hard to maximize the performance of our generation.''

These transcripts prove otherwise and reveal the truth about market manipulation in the energy sector.

Yet FERC refused to find and consider all evidence of fraud and manipulation and the State of California was forced to take the commission to court to ensure FERC would carry out its public duty to fully investigate the western energy crisis and punish wrongdoing. Only when the Ninth Circuit Court of Appeals ruled FERC had to allow the California parties to collect and submit evidence did we find more instances of pervasive illegal behavior.

After a 100-day discovery period that ended March 3, 2003, the State of California, the California attorney general's office, and the state's largest utilities filed over 3,000 pages of evidence at the Federal Energy Regulatory Commission to show how fraud and manipulation was pervasive throughout the western energy crisis of 2000–2001. The market abuse was not limited to a few rogue traders at one firm, but was a widespread series of schemes perpetuated by many employees across most companies that supplied and traded in the West.

During their discovery period, the ''California parties'' found the following information:

Details on new specific incidents when energy companies intentionally held their plants offline to drive prices up during 2000 and 2001; new transcripts of conversations between energy company employees revealing an intent to defraud and manipulate the California market; new evidence of document destruction by energy companies to hide details of their behavior in the western energy market; and new evidence laying out possible anti-trust violations by energy companies.

I ask unaminous consent that a copy of the report my office issued when the ''Protective Order'' was lifted by the Federal Energy Regulatory Commission be printed in the RECORD.

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

NEW EVIDENCE THAT ENERGY COMPANIES BESIDES ENRON MANIPULATED THE WESTERN ENERGY MARKET

[Unofficial Report—Office of Senator Dianne Feinstein]

After a 100-day discovery period that ended March 3, 2003, the State of California, the California Attorney General's Office, and the state's largest utilities filed over 3,000 pages of evidence at the Federal Energy Regulatory Commission to show how fraud and manipulation was pervasive throughout the Western Energy Crisis of 2000–2001. The market abuse was not limited to a few rogue traders at one firm, but was a widespread series of schemes perpetuated by many employees across most companies that supplied and traded in the West.

HIGHLIGHTS OF THE INFORMATION FILED BY THE CALIFORNIA PARTIES

(This information from the California Parties was under a ''Protective Order'' at FERC.)

Details on new specific incidents when energy companies intentionally held their

plants offline to drive prices up during 2000 and 2001.

New transcripts of conversations between energy company employees revealing an intent to defraud and manipulate the California market.

Reliant knew about transcripts proving their employees held power offline, but the company sat on the evidence for over a year before turning them over to FERC. (CA Parties brief, p122, footnote 375/Exhibit CA–218).

New evidence of document destruction by energy companies to hide details of their behavior in the Western Energy Market.

New evidence laying out possible anti-trust violations by energy companies.

The filing by the California parties shows that there was an extensive and coordinated attempt by energy companies to game the Western market to drive prices up by engaging in the following:

(1) Withholding of Power—driving up prices by creating false shortages.

New evidence of Withholding of Power according to the California parties: (CA Parties brief, p28–31/Exhibit CA–9).

On August 15, 2000 Williams reported that its plant in Long Beach called Alamitos 7 was unavailable due to NO_X limitations, but AES's real-time logs from that day show the plant was shut down because Williams directed it to be.

Reliant failed to return its Etiwanda Unit 2 in Rancho Cucamonga to service for two days after repairs were completed on January 26, 2001, even though the ISO system was experiencing continuous Stage 3 emergencies in California.

Redondo Beach Unit 6 power plant was shut down by Williams and AES April 3–April 6, 2000. Although the ISO was told the plant was offline due to a boiler tube leak, the plant records indicate this was a planned shutdown and the leak was an excuse concocted two days later.

Dynegy shut down its El Segundo Unit 1 plant August 30–September 3, 2000 for repairs, but the repairs had been done and the plant was shut down to force prices up.

Mirant held its Pittsburgh Unit 1 plant offline until October 22, 2000 even though an external tube leak ended October 20, 2000.

Duke delayed returning Oakland Unit 1 to service after repairs to a lube oil cooler and a cooling fan in November, 2000 despite ISO-declared emergencies.

During an ISO-declared emergency December 19 and 20, 2000, Williams declared Redondo Unit 5 a forced outage due to a boiler tube leak. However, the control operator logs uncharacteristically put quotation marks around the outage reason, ''Blr. Tube Leak'' and later, after tests were done, the logs indicate that no leaks were found.

Reliant delayed reporting the end of an outage at its Ellwood Unit in Goleta for more than twelve hours during peak demand in early April 2001.

Between November 19 and December 5, 2000 Dynegy reported that its El Segundo 1 and 2 units (with a capacity of about 350 MW) were on ''forced outage,'' but these units were actually shutdown because Dynegy claimed its operating staff was on vacation. Forced outages should not include vacation days—especially during ISO emergencies, which occurred on November 19 and 20.

(2) Bidding to Exercise Market Power—suppliers bid higher after the California ISO declared emergencies, knowing the State would need power and be willing to pay any price to get it.

New evidence of Bidding to Exercise Market Power according to the California parties:

A Mirant email to eleven traders in July of 2000 reveals this strategy: ''load is avg above 40 thousand during peak. So, submit revised supp. Bids and 'stick-it to 'em!!' '' (CA Parties brief, p42–43/Exhibit CA–141).

(3) Scheduling of Bogus Load (aka ''Fat Boy'' or ''Inc-ing'')—suppliers submitted false load schedules to increase prices.

New evidence of Scheduling Bogus Load according to the California parties:

A Dynegy trader confirms that Dynegy's load deviation in August 2000 is ''probably because [the traders] are just doing some dummy load scheduling.'' (CA Parties brief, p48/Exhibit CA–202).

A conversation between a Mirant trader and a trader from Public Service of Colorado reveal a joint effort to engage in ''Fat Boy.''

The trader from Public Service of Colorado states, ''Why don't we just do something where we overschedule, overschedule load and share an upside, dude.''

The Mirant trader responds, ''That's fine.'' (CA Parties brief, p49/Exhibit CA–204)

A Sempra trader states Sempra should submit ''fake load'' to the day ahead market. (CA Parties brief, p49/Exhibit CA–71)

A Williams trading strategy is identified as ''scheduling bogus load.'' (CA Parties brief, p49/Exhibit CA–22).

An internal Powerex memo documents that Powerex entered into a contract with the explicit purpose of ''overscheduling'' and ''underscheduling'' and for congestion manipulation. (CA Parties brief, p49).

(4) Export-Import Games (aka ''Ricochet'' or ''Megawatt Laundering'')—suppliers exported power out of California and imported it back into the State in an attempt to sell power at inflated prices.

New evidence of Export-Import Games according to the California parties:

Powerex's head trader congratulated its daily traders on their successful use of strategies to buy-ahead and sell back real-time. (CA Parties brief, p53/Exhibit CA–40).

Reliant had ''camouflage transactions'' where the company sold power out of California day-ahead to Arizona and New Mexico utilities, and bought it back for sale in the real-time market. (CA Parties brief, p55/Exhibit CA–56).

(5) Congestion Games (aka ''Death Star'')—suppliers created false congestion and were then paid for relieving congestion without moving any power.

New evidence of Congestion Games according to the California parties:

Other names like ''Death Star'' were given to these schemes: EPMI_Star, CISO_Death, Curious and George, Red and Green, Hungry and Hippo, James and Dean or Chinook and Atlantic and SCEM_Loopy. (CA Parties brief, p59/Exhibit CA–1).

These congestion games were called ''free money.'' (CA Parties brief, p59/Exhibit CA–145).

A Mirant trader summed up the scheme, ''I mean its just kind of loop-t-looping but it's making money . . . [laugh].'' (CA Parties brief, p48/Exhibit CA–204).

(6) Double-Selling—suppliers sold reserves, but then failed to keep those reserves available for the ISO.

(7) Selling of Non-Existent Ancillary Services (aka ''Get Shorty'')—suppliers sold resources that were either already committed to other sales or incapable of being provided.

(8) Sharing of Non-Public Generation Outage Information—the largest suppliers in California shared information from a company called Industrial Information Resources that provided sellers detailed, non-public information on daily plant outages. A one-year subscription to Industrial Information Resources cost $70,000. Providing multiple competitors the same, non-public, outage information signals all competitors to act in a parallel manner.

New evidence of Sharing of Non-Public Information according to the California parties:

Duke energy traders called Industrial Information Resources ''the mole.''

For example, Duke trader James Stebbins emailed: ''I just heard back from the mole. He is reporting that the PV3 will be coming back on line 6 days earlier than expected. The new return date is March 3. Good luck and happy selling.'' (CA Parties brief, p70/Exhibit CA–95 and Exhibit CA–253).

(9) Collusion Among Sellers—sellers were jointly implementing or facilitating Enron-type trading strategies.

New evidence of Collusion Among Sellers according to the California parties:

Glendale traders learned manipulation from Enron and Coral traders. (CA Parties brief, p77/Exhibit CA–105 and Exhibit CA–1).

Sempra provided Coral with advance information regarding the status of a plant. (CA Parties brief, p78/Exhibit CA–1).

Transcripts of calls show traders from Public Service of Colorado and Mirant discussing ''sharing'' or ''splitting'' ''the upside. (CA Parties brief, p79/Exhibit CA–204).

(10) Manipulation of $NONO_X$ Emission Market—sellers manipulated the market for $NONO_X$ emissions in the South Coast Air Quality Management District through a series of wash trades that created the appearance of a dramatic price increase that may have been fabricated.

For example, Dynegy, together with AES and others, entered into a series of trades of $NONO_X$ credits in July and August 2000 by which Dynegy would sell a large quality of credits and then simultaneously buy back a smaller quantity of credits at a higher per credit price. (CA Parties brief, p90–93/Exhibit CA–11).

(11) Wanton Document Destruction—sellers (not just Enron) flagrantly destroyed documents detailing behavior in the Western Energy Market.

New evidence of Wanton Document Destruction according to the California parties:

Mirant—an ex-Mirant employee disclosed that he was instructed to delete certain files relating to the California markets from hard drives and that key Mirant executives were instructed to turn in their laptops so that Mirant could clear their hard drives. (CA Parties, brief, p129/Exhibit CA–178).

City of Glendale, California—A Glendale employee, Jack Dolan, told an ex-Glendale employee, Carl Edginton, that Mr. Edginton could destroy one of the documents that contained information about Enron's gaming strategies. (CA Parties brief, p129–130/Exhibit CA–213).

(12) Negligent Document Destruction—sellers failed to retain documents detailing behavior in the Western Energy Market in accordance with FERC rules and the Federal Power Act.

According to the California parties, new evidence of Negligent Document Destruction by: Power, Portland General Electric, Reliant, Bonneville Power Administration, City of Glendale, Northern California Power Agency. (CA Parties brief, p130–132).

(13) Traders Did Not Care How High Prices Went—sellers said that it did not matter how high prices went, as long as Californians paid and generators made money.

New evidence Traders Did Not Care How High Prices Went in the filing:

Conversation between two Reliant employees on May 22, 2000:

Kevin: ''Hey, guys, you know when we might follow rules? If there's some sort of penalty.''

Walter: ''That's right.''

Kevin: ''I would never suggest it, but it seems like the writing would be on the wall.''

Walter: ''Well, I mean, there's—you know, our position is if it's a reliability issue, then the reliability comes over the economics.

Kevin: ''Right.''

Walter: ''So we don't have a problem with that. But it needs to be a reliability issue. If it's economics, and by God, that's what rules.''

Kevin: ''You'll let the California rate payers pay.''

Walter: ''That's right. I don't have a problem with that. I have no guilty conscience about that.''

Kevin: ''All right, man.'' (CA Parties brief, p110–111/Exhibit CA–239).

Mrs. FEINSTEIN. Mr. President, the evidence of fraud and abuse submitted is really quite extraordinary.

Yet this energy bill doesn't prevent the type of gaming that went on during the energy crisis. The bill only bans one type of specific manipulation—wash trades in the electricity market—but it does not address the natural gas market, nor does it prevent other forms of fraud and manipulation that took place in California and were detailed in memos released by Enron—''Fat Boy,'' ''Ricochet,'' ''Death Star,'' and ''Get Shorty.''

Furthermore, I am concerned that at this time of great crisis in the energy industry, this energy legislation rolls back the Public Utility Holding Company Act—PUCHA—without giving FERC the ability to review mergers and acquisitions in the energy sector. I will support an amendment to be offered by Senator BINGAMAN on this issue to ensure the consumer protections granted by PUCHA are not repealed.

I am also disappointed that this bill does not increased automobile fuel efficiency to reduce our consumption of oil. The single most effective way to reduce our dependence on foreign oil is to equalize the fuel economy of SUVs and light trucks with that of passenger cars.

Senator OLYMPIA SNOWE and I introduced bipartisan legislation in January to close the SUV Loophole and since that time 16 other Senators have signed onto our bill. Closing the SUV loophole would: Save the U.S. 1 million barrels of oil a day and reduce our dependence on foreign oil imports by 10 percent; prevent about 240 million tons of carbon dioxide—the top greenhouse gas and biggest single cause of global warming—from entering the atmosphere each year; and save SUV and light duty truck owners hundreds of dollars each year in gasoline costs.

Corporate Average Fuel Economy—CAFE—standards were first established in 1975. At that time, light trucks made up only a small percentage of the vehicles on the road—they were used mostly for agriculture and commerce, not as passenger cars.

Today, our roads look much different—SUVs and light duty trucks comprise more than half of the new car sales in the United States.

As a result, the overall fuel economy of our nation's fleet is the lowest it has been in two decades—because fuel economy standards for these vehicles are so much lower than they are for other passenger vehicles.

Rather than increasing fuel economy, however, this energy bill makes it more difficult for the Department of Transportation to increase CAFE standards in the future by including a new list of criteria the Department must consider when revising standards.

We need to be responsible and increase fuel efficiency, not create more barriers to increase CAFE standards.

I believe a comprehensive energy policy can promote the development of new energy supplies while protecting our most precious natural areas.

Yet this energy bill requires an inventory of all oil and gas resources under the Outer Continental Shelf. This inventory is a thinly veiled attempt to undermine long-standing and bipartisan moratorium protection. Areas off the West and East Coasts are currently off limits to drilling, and we do not want that to change.

Even if we ignore the implications of this study on moratorium areas, the inventory itself threatens precious coastal resources with invasive technologies. The coastal states have made it clear that they oppose oil development in these areas, and I believe the States' views should be respected.

I strongly believe that a comprehensive energy bill cannot ignore global climate change, yet this bill does nothing to decrease global warming.

The International Panel on Climate Change estimates that the Earth's average temperature could rise by as much as 10 degrees in the next 100 years—the most rapid change in 10,000 years.

This would have a major effect on our way of life. It would melt the polar ice caps, decimate our coastal cities, and cause global climate change.

We are already seeing the effects of warming.

In November, the Los Angeles Times published an article about the vanishing glaciers of Glacier National Park in Montana. Over a century ago, 150 of these magnificent glaciers could be seen on the high cliffs and jagged peaks of the surrounding mountains of the park. Today, there are only 35. And these 35 glaciers that remain today are disintegrating so quickly that scientists estimate the park will have no glaciers in 30 years.

This melting seen in Glacier National Park can also be seen around the world, from the snows of Mt. Kilimanjaro in Tanzania to the ice fields beneath Mt. Everest in the Himalayas. Experts also predict that glaciers in the high Andes, the Swiss Alps, and even Iceland could disappear in coming decades as well. These dwindling glaciers offer the clearest and most visible sign of climate change in America and the rest of the world.

Yet the administration has walked away from the negotiating table for the Kyoto Protocol. This is a big mistake. The United States is now the largest energy consumer in the world, with 4 percent of the world's population using 25 percent of the planet's energy. We should be a leader when it comes to combating global warming.

I strongly believe that we can do more to encourage the development of renewable power. Solar, wind, geothermal, and biomass are generating electricity for homes and businesses nationwide and we need an energy policy that not only provides tax incentives for their continued development, but also requires their use. I strongly believe it is in the public interest for our nation to stop subsidizing costly nuclear plants and require greater development of renewable resources.

However, this energy bill does not include a Renewable Portfolio Standard to require the use of a certain percentage of energy to be generated from renewable resources. I support such a standard and believe it should be part of our energy policy. Unfortunately the energy bill currently has an over-reliance on promoting traditional energy resources.

Take the nuclear power section of the bill for example. The energy bill provides a new subsidy program to provide loans, loan guarantees, and other forms of financial assistance to subsidize the construction of new nuclear plants. These subsidies will be allowed to cover up to half the cost of developing and constructing a nuclear power plant, including any costs resulting from licensing and regulatory delays. Since nuclear power plants cost approximately $6 billion to build, these subsidies could inflict a tremendous burden on the taxpayer.

For these reasons I voted against this energy bill in the Senate Energy Committee. I look forward to the opportunity to improve it on the Floor.

I strongly believe our nation needs an energy policy that will protect consumers, reduce our dependence on foreign oil, and promote new energy development while protecting our environment. If our energy legislation cannot accomplish these objectives it will be an unbalanced and incomplete energy policy.

Thank you and I yield the floor.

Mr. INHOFE. Mr. President, over the next few days, the Senate will consider legislation that will become the fuels title of comprehensive energy legislation to be enacted by the Congress later this year. As I have stated on other occasions, I firmly believe that the Nation needs comprehensive energy legislation and needs it quickly. One of our largest national security problems is our current energy dependence on foreign countries. I strongly agree with Deputy Secretary of Defense Paul Wolfowitz, who has called our energy dependence ''a serious strategic issue.''

I think that most Members of the Senate would agree that expeditious action is needed to address our energy dependence concerns. There is much less agreement, however, on the specific fuels provisions that are best suited to respond to those concerns. As chairman of the Environment and Public Works Committee, I have worked

closely with the issue surrounding this amendment and the impact they will have on our environment, as well as the economy. I understand the valid concerns on all sides of the debate.

This amendment represents a compromise on a number of contentious issues. I want to thank the members and their staffs for their respective roles in shaping this compromise, particularly the majority and minority leaders, and Senator VOINOVICH, the Chairman of the Clean Air Subcommittee, which has jurisdiction over this amendment.

This amendment has numerous environmental protection provisions, and, with the repeal of the oxygenate mandate, positive steps in removing barriers to allow refineries to make clean burning and affordable gasoline.

As with all compromises, there are provisions in the document that are opposed by various committee members, including myself. Despite that, I hope we can move the proposal out of the Senate with a minimum of controversy. To that end, I intend to support the proposal against amendments even in circumstances where I might agree with the substance of the amendment. I urge others to do the same.

This is something that has been of great concern for this country. I became involved with this issue of our energy dependence way back in the early 1980s when then-Secretary of Interior, Don Hodel, and I traveled and talked about the national security ramifications of our dependence on foreign countries for our ability to fight a war. Certainly, I felt after the 1991 war and after the most recent conflict in Iraq that people would be sensitive to that. I think the amendment that we are offering is one that is going to be of great help in getting us to lessen our reliance on foreign countries for our ability to fight a war.

I look at this provision of the energy bill as a very significant provision. As I said, there are parts of it and provisions that, as chairman of the Environment and Public Works Committee, I do not agree with. However, I strongly urge the support of this provision to the energy bill and hope we can do it with minimum or with no amendments.

I thank the Chair. I yield the floor.

Mr. CAMPBELL. Mr. President, I rise today in support of S. 14, the comprehensive energy bill.

The chairman and all the members of the Energy and Natural Resources Committee worked hard to produce a comprehensive energy bill. While no legislation is perfect, S. 14 is the product of careful debate and was subject to tough scrutiny through the committee process.

Where the committee was uncertain or where significant consensus on particular issues proved difficult, deference was given to Senators so those issues could be addressed before the full Senate.

The Committee-reported energy bill represents a careful balance of diverse and complex issues, and I am proud to have had a role in the process.

No matter one's political leanings or personal opinions, two irrefutable facts are abundantly clear. First, energy is needed to fuel the economy. Second, America needs more energy.

Between 1991 and 2000, Americans used 17 percent more energy than in the previous decade, while during that same period, domestic energy production rose by only 2.3 percent.

Further, our Nation's energy consumption is projected to increase 32 percent by 2020.

Our projected demand increase translates to projected price increases. The Energy Information Administration estimates that oil prices will increase 20 percent and natural gas prices will increase more than 50 percent in the next 25 years. Price increases like these emphasize our need to embrace policies that consider our Nation's diverse fuel mix. This bill correctly encourages the consideration of all of our energy sources.

Some in Congress would pursue policies choosing certain energy sources over others, resulting in fuel switching. I oppose such policies for several reasons. Principally, however, I oppose policies that would significantly reduce our Nation's fuel options because such policies would have catastrophic effects on our economy. It should be noted that the EIA projections cited earlier all assume a diverse portfolio of energy sources. We can only imagine the cost to ratepayers and the Nation if an energy source, such as coal, were no longer a viable option.

To consider all of our energy options requires more than just lip service. It means taking action based upon stated positions.

The Indian Energy Title of the bill moves beyond lip service. It incorporates several key reforms based on fundamental principles of American liberty and Indian self-determination.

I imagine that many, if not all of the members of this body believe—or at least say they believe—in the right to self-determination. Many of my colleagues celebrate and support the rights of indigenous peoples in the context of international law. In the case of Iraq, all agree that the Iraqi Government must be comprised of and run by Iraqis, for Iraqis, without U.S. interference.

Unfortunately, if we are to ask the very same members to apply those recognized principles at home to our Nation's own indigenous peoples, their resolve and belief in self-governance seems to disintegrate.

The Indian Energy Title in the bill before the Senate is not merely a reiteration of touchy-feely concepts. Concepts without action do not help people. And despite what many Americans, and many in this Chamber believe about Indian gaming and a few rich tribes, the truth is that Indians are still the poorest people in America; still have the worst health care; still have the fewest educational opportunities; and Indian children still suffer from sniffing glue, using ''canned heat,'' and committing suicide.

The truth is often uncomfortable. The truth is undeniable.

The Indian provisions in S. 14 are designed not only to respect tribes' right to self-determination, but to unshackle them from a regulatory and bureaucratic system that doesn't care whether an energy project goes forward; doesn't care whether a tribe's energy partner decides the bureaucratic hurdles are too high; and doesn't care whether jobs will be created to benefit Indians.

Title III provides financial assistance, loan guarantees, hydro and wind power and wind power studies, and most importantly a liberalization of the Indian land leasing process.

These provisions are wholly voluntary, allowing participating tribes greater flexibility in exercising their right to self-determination.

Title III contains no NEPA exemptions and the Indian Energy Title does not circumvent environmental protections. What it does do, however, is empower Indian tribes with long-overdue authority to manage their land while, ''ensuring compliance with all applicable environmental laws.''

The Indian energy provisions in S. 14 accepts that unfortunate reality and provides critical economic development opportunities to participating tribes.

The chairman has a difficult task—to produce a balanced comprehensive energy bill during a Presidential election cycle. Politics and rhetoric run highest at times like these.

Although it has happened since the days of the frontier, the powerful and wealthy should not manipulate the disenfranchised for political gain.

I sincerely hope that my colleagues in the Senate regard the Indian energy provisions as what they are—a tool to exercise self-determination.

If it is good enough for Iraqis, shouldn't it be good enough for Americans?

Mr. NELSON of Nebraska. Mr. President, this important renewable fuels legislation is one of the pillars for economic development for rural America—one segment of the population that has lagged behind during the economic surge of the 1990s and is suffering under the combined effects of the current economic slowdown and a 2-year devastating drought—Drought David.

This legislation is important for rural America. Last year, we completed the farm bill—the first part of the economic revitalization plan for rural America. And while the Midwest has been blessed with rain over the past month, we continue to struggle with the ongoing effects of drought. Economic stimulus can come in many forms, and renewable fuels is certainly one of the viable options for increased economic stimulus in rural America, especially in my home State of Nebraska.

We need to be working hard to craft a comprehensive rural development plan that will spur investment in agribusiness and promote economic activity in the agriculture center. This bill, the Fuels Security Act of 2003, is an important part of such a rural development plan.

It is clear that use of ethanol, as part of a renewable fuels standard is a win-win-win situation: a win for farmers, a win for consumers, and a win for the environment. That is why I rise as an original cosponsor and strong supporter this renewable fuels legislation.

If passed, the Fuels Security Act will establish a 2.3-billion-gallon renewable fuels standard in 2004, growing every year until it reaches 5 billion gallons by 2012. There are many benefits to this legislation.

It will dispute 1.6 billion barrels of oil over the next decade; reduce our trade deficit by $34.1 billion; increase new investment in rural communities by more than $5.3 billion; boost the demand for feed grains and soybeans by more than 1.5 billion bushels over the next decade; create more than 214,000 new jobs throughout the U.S. economy; and expand household income by an additional $51.7 billion over the next decade.

It is quite apparent that increased use of ethanol will do much to boost a struggling U.S. agriculture economy and will help establish a more sound national energy policy.

The greater production of ethanol will also be beneficial to the environment. Studies show ethanol reduces emissions of carbon monoxide and hydrocarbons by 20 percent and particulates by 40 percent in 1990 and newer vehicles. In 2001 ethanol reduced greenhouse gas emissions by 3.6 million tons, the equivalent of removing more than 520,000 vehicles from the road.

A choice for ethanol is a choice for America, and its energy consumers, its farmers and its environment.

Enactment of the Fuel Security Act—along with other provisions in this bill that emphasize new sources of energy production from renewables like wind power, as well as conservation to further reduce our dependence upon foreign sources of energy—will help us to reverse our 100-year-old reliance on fossil fuels a more pressing concern than ever given the possibility of military conflict in the Mideast and the continuing economic turmoil in Venezuela.

I am unabashedly proud of what my home State has accomplished in this area. Within the State of Nebraska, during the period from 1991 to 2001, seven ethanol plants were constructed and several of these facilities were expanded more than once during the decade. Specific benefits of the ethanol program in Nebraska include: $11.15 billion in new capital investment in ethanol processing plants; 1,005 permanent jobs at the ethanol facilities and 5,115 induced jobs directly related to plant construction, operation, and maintenance—the permanent jobs alone generate an annual payroll of $44 million——and more than 210 million bushels of corn and grain sorghum is processed at the plants annually. These economic benefits and others have increased each year during the past decade due to plant expansion, employment increases, and additional capital investment.

If each State produces 10 percent of its own domestic, renewable fuel, as Nebraska does, America will have turned the corner away from dependence on foreign sources of energy.

When you take a hard look at the facts, you will see that this legislation is nothing but beneficial for America. The Fuels Security Act is balanced, comprehensive, and is the result of the dedication of so many, especially Senator DASCHLE and Senator LUGAR.

Now I ask my colleagues to join me in promoting new opportunities for the technologies that will put our Nation and the world's transportation fuels on solid, sustainable, and environmentally enhancing ground. We owe it to our country now—and to future generations-in pass this legislation.

FOREIGN INTELLIGENCE SURVEILLANCE ACT

The PRESIDING OFFICER. Under the previous order, the hour of 11:30 having arrived, S. 113 is referred to the Committee on Intelligence, and the committee is discharged from further consideration of the measure, and the Senate will now proceed to consider the measure, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 113) to exclude United States persons from the definition of foreign power under the Foreign Intelligence Surveillance Act of 1978 relating to international terrorism.

The Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with an amendment to the title and an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

[Strike the part shown in black brackets and insert the part shown in italic.]

S. 113

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

[SECTION 1. EXCLUSION OF UNITED STATES PERSONS FROM DEFINITION OF FOREIGN POWER IN FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978 RELATING TO INTERNATIONAL TERRORISM.

[Paragraph (4) of section 101(a) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801(a)) is amended to read as follows:

[''(4) a person, other than a United States person, or group that is engaged in international terrorism or activities in preparation therefor;'']

SECTION 1. TREATMENT AS AGENT OF A FOREIGN POWER UNDER FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978 OF NON-UNITED STATES PERSONS WHO ENGAGE IN INTERNATIONAL TERRORISM WITHOUT AFFILIATION WITH INTERNATIONAL TERRORIST GROUPS.

(a) IN GENERAL.—Section 101(b)(1) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801(b)(1)) is amended by adding at the end the following new subparagraph:

''(C) engages in international terrorism or activities in preparation therefor; or''.

(b) SUNSET.—The amendment made by subsection (a) shall be subject to the sunset provision in section 224 of the USA PATRIOT Act of 2001 (Public Law 107–56; 115 Stat. 295), including the exception provided in subsection (b) of such section 224.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. KYL. Mr. President, I appreciate the opportunity to take up this bill. It is under a unanimous consent agreement. Pursuant to that agreement, we are going to have some opening statements. I will take about 15 minutes and then Senator SCHUMER, the cosponsor of the amendment, will be presenting his remarks. After that, anyone who would like to speak for or against this bill can do so.

There will be two amendments in order. One will be an accepted amendment offered by the Senator from Wisconsin, Mr. FEINGOLD, and another will be offered by Senator FEINSTEIN of California on which there is, I believe, a total of 4 hours authorized for debate. I do not think we will need that much time, but when the time comes, I urge my colleagues to oppose and defeat the Feinstein amendment so we can go to final passage of this legislation.

I will briefly describe what the bill does and why we need it. Then I will get into some of the procedure involved. It is actually very simple. It involves an existing law that we passed in 1978 called the Foreign Intelligence Surveillance Act, known by the acronym FISA. FISA allows us to get warrants, among other things, and allows us to surveil people we suspect of committing acts of terrorism against us; for example, to get a warrant to search their computer or their home.

There are two instances where the law currently applies. The underlying predicate is that there has to be probable cause that somebody is committing, about to commit, or planning to commit some kind of criminal act, a terrorism kind of act. It applies to two kinds of people: somebody who is either working for a foreign government or somebody who is working for a foreign terrorist organization.

That leaves a little loophole because there are some terrorists who are not on the membership list, shall we say, or who are not card-carrying members of a foreign terrorist organization or a foreign government; people such as Zacarias Moussaoui, for example, whom we now believe to have been loosely involved in the al-Qaida attack of September 11.

At the time, it was not possible to prove that he was involved with a foreign intelligence organization. It may

well be that at the end of the day he was, in fact, a lone wolf, operating on his own, but very loosely affiliated with the radical Islamic movement which has underpinned a lot of the terrorism which threatens the United States and the rest of the world today.

The law as written in 1978 was intended to apply to a very specific group of people, the Soviet spies, for example, or the Baader-Meinhof gang or the Red Brigade or the Red Army. There were a lot of these organizations back then, and they were very tightly knit organizations. If somebody was involved in one of these groups, they were involved. But today's radical Islamic movement around the world that associates itself with terrorism is much more amorphous. As I factitiously said, these people do not have cards identifying themselves as members of these organizations. They are people who hate the West and the United States. They move in and out of the different countries of the world. They will take training in a certain place. They will affiliate a little while with a group and then move on to support some other group.

The bottom line is that it is very difficult, sometimes impossible, to prove that they are affiliated with a specific group. In some cases, they are not. They are simply acting on their own. But they are still terrorists. They are still foreign terrorists. They still mean to do us harm on the international stage and should be covered by the Foreign Intelligence Surveillance Act.

We close this loophole by providing that not only does it cover the person working for a foreign government, or who we can prove at that point is working for a foreign terrorist organization, it also includes the so-called lone wolf terrorist, or the individual we cannot yet prove is directly affiliated with one of these amorphous groups. That is really all the bill does.

I will give a specific example. I mentioned Zacarias Moussaoui. Remember all of the criticism. He was a person who was taking flying lessons. It was under very suspicious circumstances. We understood this prior to September 11. There were people who wanted to get a Foreign Intelligence Surveillance Act warrant to search his computer. It went to the FBI, and somebody in the FBI concluded that, yes, all of this information looked good in the warrant except that they could not specifically tie him to a specific international group. Quite a bit of time was used following up leads that led to some group of Chechen rebels, but that ended up to be kind of a dry hole. Meanwhile, the attack of September 11 occurred.

Immediately after that attack, we were able to get the warrant. His case is pending in Northern Virginia at this time. He was not able to hook up with the attackers of September 11, but clearly his is an example of a case to which this kind of provision should apply.

I will quote something from some of the testimony that we had with regard to the need for this legislation. Spike Bowman, who is the Deputy General Counsel of the FBI, testified at a Senate Select Committee on Intelligence hearing on the predecessor bill to the one that is before us right now. I will quote at length from his testimony. He said:

> When FISA was enacted, terrorism was very different from what we see today. In the 1970s, terrorism more often targeted individuals, often carefully selected. This was the usual pattern of the Japanese Red Army, the Red Brigades and similar organizations listed by name in the legislative history of FISA. Today we see terrorism far more lethal and far more indiscriminate than could have been imagined in 1978. It takes only the events of the September 11, 2001, to fully comprehend the difference of a couple of decades. But there is another difference as well. Where we once saw terrorism formed solely around organized groups, today we often see individuals willing to commit indiscriminate acts of terror. It may be that these individuals are affiliated with groups that we do not see, but it may be that they are simply radicals who desire to bring about destruction.
>
> We are increasingly seeing terrorist suspects who appear to operate at a distance from these organizations. In perhaps an oversimplification, but illustrative nevertheless, what we see today are (1) agents of foreign powers in the traditional sense who are associated with some organization or discernible group, (2) individuals who appear to have connections with multiple terrorist organizations but who do not appear to owe any allegiance to any one of them, but rather owe allegiance to the International Jihad movement, and (3) individuals who appear to be personally oriented toward terrorism but with whom there is no known connection to a foreign power.
>
> This phenomenon which we have seen . . . growing for the past two or three years, appears to stem from a social movement that began some imprecise time, but certainly more than a decade ago. It is a global phenomenon which the FBI refers to as the International Jihad Movement. By way of background we believe we can see the contemporary development of this movement, and its focus on terrorism, rooted in the Soviet invasion of Afghanistan.
>
> During the decade-long Soviet/Afghan conflict, anywhere from 10,000 to 25,000 Muslim fighters representing some forty-three countries put aside substantial cultural differences to fight alongside each other in Afghanistan. The force drawing them together was the Islamic concept of ''umma'' or Muslim community. In this concept, nationalism is secondary to the Muslim community as a whole. As a result, Muslims from disparate cultures trained together, formed relationships, sometimes assembled in groups and otherwise would have been at odds with one another[,] and acquired common ideologies. . . .
>
> Following the withdrawal of the Soviet forces in Afghanistan, many of these fighters returned to their homelands, but they returned with new skills and dangerous ideas. They now had newly acquired terrorist training as guerilla warfare [had been] the only way they could combat the more advanced Soviet forces.
>
> Information from a variety of sources repeatedly carries the theme from Islamic radicals that expresses the opinion that we just don't get it. Terrorists world-wide speak of jihad and wonder why the western world is focused on groups rather than on concepts that make them a community.
>
> The lesson to be taken from how [Islamic terrorists share information] is that al-Qaida is far less a large organization than a facilitator, sometimes orchestrator of Islamic militants around the globe. These militants are linked by ideas and goals, not by organizational structure.
>
> The United States and its allies, to include law enforcement and intelligence components worldwide[,] have had an impact on the terrorists, but [the terrorists] are adapting to changing circumstances. Speaking solely from an operational perspective, investigation of these individuals who have no clear connection to organized terrorism, or tenuous ties to multiple organizations, is becoming increasingly difficult. The current FISA statute has served the Nation well, but the international Jihad movement demonstrates the need to consider whether a different formulation is needed to address the contemporary terrorist problem.

Of course, the different way we are approaching it is by adding a third element to the FISA statute. If you are a non-United States person and otherwise we have probable cause to believe you are planning an act of or executing an act of terrorism, we have the right to seek a warrant in the FISA court to search you, surveil you, whatever the warrant might request.

That is the essence of this legislation. As I said, when FISA was enacted in 1978, this international movement around an idea had not yet evolved and we were focused on organizations. Now we need to add to the statute, in addition to nations and specific organizations, non-United States persons—in other words, foreign persons—who we believe are carrying out some terrorist plan with international roots, directed at the United States, sufficient to bring it under the aegis of the FISA statute.

It is the responsibility of Congress to adapt our laws to these changes. It is this challenge that Senator SCHUMER and I are attempting to address by this amendment.

I introduced this bill with Senator SCHUMER in the 107th Congress on June 5, 2002, so it has been around almost a full year. The current bill is the identical bill introduced in the previous Congress. We held a Select Committee on Interrogation hearing July 2002, the testimony from which I just quoted, and we heard testimony from six witnesses.

There was no Judiciary markup in the previous Congress, but in the 108th Congress, when we reintroduced the bill January 9, the Senate Judiciary Committee held a markup. This bill, by the way, was cosponsored by Chairman HATCH, Senators DEWINE, SCHUMER, myself, CHAMBLISS, SESSIONS, and there may be others of whom I am not aware.

March 6, the Judiciary Committee marked up the bill at an executive session and adopted a substitute amendment, which is the bill we have before the Senate now, rejected a Feingold amendment by a vote of 11 to 4, and voted to report the bill unanimously by a vote of 19 to 0 to the Senate. That is where we are today.

We hope to call anyone who has an interest in this to the floor to express their ideas. As I say, we are going to

accept one amendment and we will be debating a second amendment, which I hope we defeat. There will be a break in our consideration here for some other business in the middle of the day. We will return in midafternoon to complete the work on the bill. It should be done by the late afternoon.

Until Senator SCHUMER arrives, I make another point. There has been a worry on the part of some that this expands the Foreign Intelligence Surveillance Act to private American citizens. I make it crystal clear that is not true.

By definition, we could not do that. This is a law that is only justified because it relates to international terrorism. So if you come here from a foreign country, you are a non-U.S. person, you come from a foreign country, intending to do harm to Americans, as part of this international movement, whether you are a member of some specific organization or not, the act will be allowed to be used to determine whether we should take further action against you. It is not pertaining to U.S. citizens; it is only to non-U.S. citizens and only in this particular context.

Second, you cannot just do this willy-nilly, like every other warrant. Whether under FISA or not, we have to have probable cause. That requirement is not changed one iota. If anyone suggests there is anything improper, certainly it is not unconstitutional, but to the extent anyone suggests that we are ready to recite the reasons why, that is not true.

I note the Department of Justice has sent a letter announcing its support for this legislation. Among those testifying in favor of it, the U.S. Attorney General, the Director of the Bureau of Investigation, former CIA Director, and any number of officials in our intelligence and law enforcement community have endorsed the bill.

I direct Members' attention to a letter I will later put into the RECORD, dated July 31, 2002, which presented the Department of Justice's views on the bill and announced its support for the legislation. It provides a detailed analysis of this question about the fourth amendment and whether or not there would be any constitutional issues.

The Department concluded that the bill would satisfy constitutional requirements specifically related to the fourth amendment. In particular, the Department emphasized that anyone monitored pursuant to the bill would be someone who had at the very least been involved in terrorist acts that transcends national boundaries in term of the means they are accomplished, the persons they appear intended to coerce or intimidate, or the locale in which the perpetrators operate or seek asylum.

As a result, it would still be limited to collecting foreign intelligence for the international responsibilities of the United States and the duties of the Federal Government to the States in matters involving foreign terrorism, to wit, protecting the American citizens from people who come here to do us harm.

Let me conclude these remarks by noting that I have enjoyed the cooperation, as usual, of my colleague who serves on the Judiciary Committee, the Senator from New York, Mr. SCHUMER, who has been a strong advocate of this kind of provision for a long time and whose assistance in this matter has been extraordinarily helpful.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, first, I thank my colleague, Senator KYL from Arizona, for his great work on this and many other issues.

We live in a new world. It is a post-September 11 world. We have to adjust to those realities. I believe we can do both, have security and liberty, the great concern of our Founding Fathers. I think this bill, in a careful and thoughtful way, readjusts that balance.

My colleague from Arizona has been a leader on these issues. We do not always agree, but we often do. It is a pleasure to work with him. His persistence and dedication to making this country secure and maintaining its freedom at the same time is something I share and I respect.

As I mentioned, the age-old debate between security and freedom is at the nub of the Constitution. It was probably debated more by the Founding Fathers than any other issue. They realized that in times of crisis, in times of war, in times of attack, the pendulum could swing more to the security side and at other times to the freedom side. They realized, as Benjamin Franklin said, that giving up even an ounce of precious freedom is a very serious thing to do.

FISA is a debate about that. While I certainly believe, as I think most of my colleagues do, given the fact that what we have learned since September 11, that terrorists can strike in our heartland, that small groups of people empowered by technology can do the kind of damage we have never seen before, which my city suffered on September 11. We remember the losses every day. We do have to reexamine this, particularly when there has been one law for people overseas and one law for people in this country because the walls have changed.

That is a general debate on FISA. I know some of my colleagues have wanted to do that today. My colleague from Wisconsin says the law has shifted too far one way. My colleague from Utah thinks it has shifted the other way. Senator KYL and I are not debating that. We do not give up any liberty in this bill. The very standards that are now in the law with FISA remain, standards of what must be done to get a FISA warrant. Those do not change. The only change is our recognition that in these new post–9/11 years, technology has allowed small groups unknown before, or even lone wolf individuals, to commit terrorism, and if they are doing the same thing as established terrorist groups or established terrorist nations, there seems to be no reason why they shouldn't be susceptible to the same type of surveillance of other groups. That is at the nub of this issue.

We are informed by history. Again, those who say don't do anything to change don't look at history, in my judgment. We learned from the disclosures regarding Zacarias Moussaoui, the so-called 20th hijacker, that the FBI had abundant reason to be suspicious of him before 9/11, but they did not act, they did not do what Agent Rowley wanted them to do. She, of course, has been heralded as a great leader and a great American for what she has done, and I join in that. But they didn't want to do what she wanted, which was pursue a warrant to dig up evidence that may have been the thread which, if pulled, would have unraveled the terrorists' plans.

The anguish she felt then, and so many of us feel afterwards, that this might have been stopped but wasn't because of a provision in the FISA law that quickly became archaic as terrorists advanced and we learned that small groups could do such damage, is what motivates this legislation.

One reason we have been given—and Agent Rowley agrees with this, I believe—why the FBI did not seek the warrant is the bar for getting those warrants when it came to those not affiliated with known terrorist groups or known terrorist countries was set too high.

That is why Senator KYL and I introduced this amendment to FISA. We intend to make it easier for law enforcement to get warrants against non-U.S. citizens—this does not affect a single U.S. citizen—who are suspected of preparing to commit acts of terrorism.

As I mentioned, we leave two of the standards in place, the ones that measure the bar. Right now, the FBI is required to show three things before they can get a warrant: They must show the target is engaging in or preparing to engage in international terrorism. We keep that requirement. It does not change. They must show a significant purpose of the surveillance is foreign-intelligence gathering. We are keeping that requirement, too, that foreign-intelligence gathering is a significant purpose.

Here is the problem. They also must show under present law that the target is an agent of a foreign power, such as Iraq, or a known foreign terrorist group, such as Hamas or al-Qaida. That is the hurdle we are removing. If that requirement had not been in place, there is no question the FBI could have gotten a warrant to do electronic surveillance on Zacarias Moussaoui and, who knows, not certainly but perhaps, 9/11 might not have occurred.

That is the anguish we all face. Right now we know there may be terrorists plotting on American soil. We may have all kinds of reasons to believe

they are preparing to commit acts of terrorism. But we cannot do the surveillance we need if we cannot tie them to a foreign power or an international terrorist group. It is a catch-22. We need the surveillance to get the information we need to be able to do the surveillance. It makes no sense. The simple fact is, it should not matter whether we can tie someone to a foreign power. Whether our intelligence is just not good enough or whether the terrorist is acting as a lone wolf or it is a new group of 10 people who have not been affiliated with any known terrorist group, should not affect whether we can do surveillance, should not affect whether they are a danger to the United States, should not affect whether they are preparing to do terrorism. Engaging in international terrorism should be enough for our intelligence experts to start surveillance.

It is important to note if we remove this last requirement now it will immeasurably aid law enforcement without exposing American citizens or those who hold green cards to the slightest additional surveillance. Let me repeat, because I know we get some who write that this is the unraveling of the Constitution and it befuddles me because it is not, it does not affect a single American citizen or those who have green cards.

It is fair. It is reasonable. It is a smart fix to a serious problem. It passed out of the Judiciary Committee with unanimous support. It is supported by the administration as well.

One final word. This is about an amendment from my good friend, a colleague from California, Senator FEINSTEIN, which we will debate. She is introducing an amendment that would allow some gray into the law, rather than making it black or white. Her amendment would leave the decision whether or not to grant the FBI a FISA warrant against a lone wolf, she would leave that up to a particular judge.

I do not believe we can afford any more uncertainty. We saw what uncertainty did when the Zacarias Moussaoui case occurred. The FBI, so worried that they might overstep, said no. We need clarity in the law when it comes to fighting terrorism.

Therefore, I urge my colleagues to oppose the Feinstein amendment and support the bipartisan bill which is before us today.

Mr. President, I yield the floor and I suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

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

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

ORDER OF PROCEDURE

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I ask unanimous consent that Senator DEWINE be recognized at 1 p.m. for 15 minutes of morning business.

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

Mr. KYL. Mr. President, I ask unanimous consent that in the debate on the pending business involving the Foreign Intelligence Surveillance Act, a letter from the Department of Justice dated July 31, 2002, be printed in the RECORD.

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

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, July 31, 2002.

Hon. BOB GRAHAM,
Chairman, Select Committee on Intelligence, U.S. Senate, Washington, DC.

Hon. RICHARD C. SHELBY,
Vice-Chairman, Select Committee on Intelligence, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN AND MR. VICE CHAIRMAN: The letter presents the views of the Justice Department on S. 2586, a bill ''[t]o exclude United States persons from the definition of 'foreign power' under the Foreign Intelligence Surveillance Act of 1978 relating to international terrorism.'' The bill would extend the coverage of the Foreign Intelligence Surveillence Act (''FISA'') to individuals who engage in international terrorism or activities in preparation therefor without a showing of membership in or affiliation with an international terrorist group. The bill would limit this type of coverage to non-United States persons. The Department of Justice supports S. 2586.

We note that the proposed title of the bill is potentially misleading. The current title is ''To exclude United States persons from the definition of 'foreign power' under the Foreign Intelligence Surveillance Act of 1978 relating to international terrorism.'' A better title, in keeping with the function of the bill, would be something along the following lines: ''To expand the Foreign Intelligence Surveillance Act of 1978 ('FISA') to reach individuals other than United States persons who engage in international terrorism without affiliation with an international terrorist group.''

Additionally, we understand that a question has risen as to whether S. 2586 would satisfy constitutional requirements. We believe that it would.

FISA allows a specially designated court to issue an order appoving an electronic surveillance or physical search, where a significant purpose of the surveillance or search is ''to obtain foreign intelligence information.'' Id. §§1804(a)(7)(B), 1805(a). Given this purpose, the court makes a determination about probable cause that differs in some respects from the determination ordinarily underlying a search warrant. The court need not find that there is probable cause to believe that the surveillance or search, in fact, will lead to foreign intelligence information, let alone evidence of a crime, and in many instances need not find probable cause to believe that the target has committed a criminal act. The court instead determines, in the cause of electronic surveillance, whether there is probable cause to believe that ''the target of the electronic surveillance is a foreign power or an agent of a foreign power,'' *id* §1805(a)(3)(A), and that each of the places at which the surveillance is directed ''is being used, or about to be used, by a foreign power or an agent of a foreign power,'' *id*. §1805(a)(3)(B). The court makes parallel determinations in the case of a physical search. *Id*. §1824(a)(3)(A). (B).

The terms ''foreign power'' and ''agent of a foreign power'' are defined at some length, *Id*. §1801(a), (b), and specific parts of the definitions are especially applicable to surveillances or searches aimed at collecting intelligence about terrorism. As currently defined, ''foreign power'' includes ''a group engaged in international terrorism or activities in preparation therefor,'' *Id*. §1801(a)(4) (emphasis added), and an ''agent of a foreign power'' includes any person who ''knowingly engages in sabotage or international terrorism or activities that are in preparation therefor, for or on behalf of a foreign power,'' *Id*. §1801(b)(2)(C). ''International terrorism'' is defined to mean activities that: (1) involve violent acts or acts dangerous to human life that are a violation of the criminal laws of the United States or of any State, or that would be a criminal violation if committed within the jurisdiction of the United States or any State; (2) appear to be intended—(A) to intimidate or coerce a civilian population; (B) to influence the policy of a government by intimidation or coercion, or (C) to affect the conduct of a government by assassination or kidnapping; and (3) occurs totally outside the United States, or transcend national boundaries in terms of the means by which they are accomplished, the persons they appear intended to coerce of intimidate, or the locale in which their perpetrators operate or seek asylum.

S. 2586 would expand the definition of ''foreign power'' to reach persons who are involved in activities defined as ''international terrorism,'' even if these persons cannot be shown to be agents of a ''group'' engaged in international terrorism. To achieve this expansion, the bill would add the following italicized words to the current definition of ''foreign power'': ''*any person other than a United States person who is, or* a group *that is*, engaged in international terrorism or activities in preparation therefor.''

The courts repeatedly have upheld the constitutionality, under the Fourth Amendment, of the FISA provisions that permit issuance of an order based on probable cause to believe that the target of a surveillance or search is a foreign power or agent of a foreign power. The question posed by S. 2586 would be whether the reasoning of those cases precludes expansion of the term ''foreign power'' to include individual international terrorists who are unconnected to a terrorist group.

The Second Circuit's decision in *United States* versus *Duggan*, 743 F.2d 59 (2d Cir. 1984), sets out the fullest explanation of the ''governmental concerns'' that had led to the enactment of the procedures in FISA. To identify these concerns, the court first quoted from the Supreme Court's decision in *United States* versus *United States District Court*, 407 U.S. 297, 308 (1972) (''*Keith*''), which addressed ''domestic national security surveillance'' rather than surveillance of foreign powers and their agents, but which specified the particular difficulties in gathering ''security intelligence'' that might justify departures from the usual standards for warrants: ''[Such intelligence gathering] is often long range and involves the interrelation of various sources and types of information. The exact targets of such surveillance may be more difficult to identify than in surveillance operations against many types of crime specified in Title III [dealing with electronic surveillance in ordinary criminal cases]. Often, too, the emphasis of domestic intelligence gathering is on the prevention of unlawful activity or the enhancement of the government's preparedness for some possible future crisis or emergency. Thus the focus of domestic surveillance may be less precise than that directed against more conventional types of crime.'' *Duggan*, 743 F.2d

at 72 (quoting *Keith*, 407 U.S. at 322). The Second Circuit then quoted a portion of the Senate Committee Report on FISA: ''[The] reasonableness [of FISA procedures] depends, in part, upon an assessment of the difficulties of investigating activities planned, directed, and supported from abroad by foreign intelligence services and foreign-based terrorist groups. . . . Other factors include the international responsibilities of the United States, the duties of the Federal Government to the States in matters involving foreign terrorism, and the need to maintain the secrecy of lawful counterintelligence sources and methods.'' Id. at 73 (quoting S. Rep. No. 95–701, at 14–15, reprinted in 1978 U.S.C.C.A.N. 3973, 3983) (''Senate Report''). The court concluded:

Against this background, [FISA] requires that the FISA Judge find probable cause to believe that the target is a foreign power or an agent of a foreign power, and that the place at which the surveillance is to be directed is being used or is about to be used by a foreign power or an agent of a foreign power; and it requires him to find that the application meets the requirements of [FISA]. These requirements make it reasonable to dispense with a requirement that the FISA Judge find probable cause to believe that surveillance will in fact lead to the gathering of foreign intelligence information.

Id. at 73. The court added that, a fortiori, it ''reject[ed] defendants' argument that a FISA order may not be issued consistent with the requirements of the Fourth Amendment unless there is a showing of probable cause to believe the target has committed a crime.'' Id. at n.5. See also, e.g., *United States* versus *Pelton*, 835 F.2d 1067, 1075 (4th Cir. 1987); *United States* versus *Cavanagh*, 807 F.2d 787, 790–91 (9th Cir. 1987) (per then-Circuit Judge Kennedy); *United States* versus *Nicholson*, 955 F. Supp. 588, 590–91 (E.D. Va. 1997).

We can conceive of a possible argument for distinguishing, under the Fourth Amendment, the proposed definition of ''foreign power'' from the definition approved by the courts as the basis for a determination of probable cause under FISA as now written. According to this argument, because the proposed definition would require no tie to a terrorist group, it would improperly allow the use of FISA where an ordinary probable cause determination would be feasible and appropriate—where a court could look at the activities of a single individual without having to access ''the interrelation of various sources and types of information,'' see *Keith*, 407 U.S. at 322, or relationships with foreign-based groups, see *Daggan*, 743 F.2d at 73; where there need be no inexactitude in the target or focus of the surveillance, see *Keigh*, 407 U.S. at 322; and where the international activities of the United States are less likely to be implicated, see *Duggan*, 743 F.2d at 73. However, we believe that this argument would not be well-founded.

The expanded definition still would be limited to collecting foreign intelligence for the ''international responsibilities of the United States, [and] the duties of the Federal Government to the States in matters involving foreign terrorism.'' Id. at 73 (quoting Senate Report at 14). The individuals covered by S. 2586 would not be United States persons, and the ''international terrorism'' in which they would be involved would continue to ''occur totally outside the United States, or transcend national boundaries in terms of the means by which they are accomplished, the persons they appear intended to coerce or intimidate, or the locale in which their perpetrators operate or seek asylum.'' 50 U.S.C. §1801(c)(3). These circumstances would implicate the ''difficulties of investigating activities planned, directed, and supported from abroad,'' just as current law implicates such difficulties in the case of foreign intelligence services and foreign-based terrorist groups. *Duggan*, 743 F.2d at 73 (quoting Senate Report at 14). To overcome those difficulties, a foreign intelligence investigation ''often [will be] long range and involve[] the interrelation of various sources and types of information.'' Id. at 72 (quoting *Keith*, 407 U.S. at 322). This information frequently will require special handling, as under the procedures of the FISA court, because of ''the need to maintain the secrecy of lawful counterintelligence sources and methods.'' Id. at 73 (quoting *Keith*, 407 U.S. at 322). Furthermore, because in foreign intelligence investigations under the expanded definition ''[o]ften . . . the emphasis . . . [will be] on the prevention of unlawful activity or the enhancement of the government's preparedness for some possible future crisis or emergency,'' the ''focus of . . . surveillance may be less precise than that directed against more conventional types of crime.'' Id at 73 (quoting *Keith*, 407 U.S. at 322). Therefore, the same interests and considerations that support the constitutionality of FISA as it now stands would provide the constitutional justification for the S. 2586.

Indeed, S. 2586 would add only a modest increment to the existing coverage of the statute. As the House Committee Report on FISA suggested, a ''group'' of terrorists covered by current law might be as small as two or three persons. H.R. Rep. No. 95–1283, at pt. 1, 74 and n.38 (1978). The interests that the courts have found to justify the procedures of FISA are not likely to differ appreciably as between a case involving such a group of two or three persons and a case involving a single terrorist.

The events of the past few months point to one other consideration on which courts have not relied previously in upholding FISA procedures—the extraordinary level of harm that an international terrorist can do to our Nation. The touchstone for the constitutionality of searches under the Fourth Amendment is whether they are ''reasonable.'' As the Supreme Court has discussed in the context of ''special needs cases,'' whether a search is reasonable depends on whether the government's interests outweigh any intrusion into individual privacy interests. In light of the efforts of international terrorists to obtain weapons of mass destruction, it does not seem debatable that we could suffer terrible injury at the hands of a terrorist whose ties to an identified ''group'' remained obscure. Even in the criminal context, the Court has recognized the need for flexibility in cases of terrorism. See *Indianapolis* v. *Edmond*, 531 U.S. 32, 44 (2000) (''the Fourth Amendment would almost certainly permit an appropriately tailored roadblock set up to thwart an imminent terrorist attack''). Congress could legitimately judge that even a single international terrorist, who intends ''to intimidate or coerce a civilian population'' or ''to influence the policy of a government by intimidation or coercion'' or ''to affect the conduct of a government by assassination or kidnapping,'' 50 U.S.C. §1801(c)(2), acts with the power of a full terrorist group or foreign nation and should be treated as a ''foreign power'' subject to the procedures of FISA rather than those applicable to warrants in criminal cases.

Thank you for the opportunity to present our views. Please do not hesitate to call upon us if we may be of additional assistance. The Office of Management and Budget has advised us that from the perspective of the Administration's program, there is no objection to submission of this letter.

Sincerely,

DANIEL J. BRYANT,
Assistant Attorney General.

Mr. KYL. Mr. President, I would like to advise Members that under the unanimous consent agreement for the consideration of this bill there is a period of 2 hours general debate and 4 hours equally divided on the Feinstein amendment. We would like to ask Members who have comments to make about this legislation to come to the floor and express themselves so that we can conclude this bill today under the unanimous consent. I will continue to discuss the bill. But if other Members would like to come, I will yield the floor to them. I would ask that those who have amendments that are authorized by the unanimous consent agreement to lay those amendments down so Members who wish to speak to those amendments could also address that.

In the meantime, let me continue some of the conversation Senator SCHUMER and I had before. We are talking about a bill which would plug a loophole in the existing law—the Foreign Intelligence Surveillance Act—which currently authorizes warrants to be obtained in two specific situations. We make it clear that there is a third situation as well. The two specific situations are where you either have somebody you suspect is involved in international terrorism because they work for a foreign government—that is a situation like the old Soviet spy—or they work for some international terrorist organization. Remember that this law was created at the time when we had organized groups such as the Red Brigade and the Meinhof gang, and those types of groups. That is why those two definitions in the statute were included in the way they were. What was not anticipated is that we would also have people coming from abroad to the United States to commit acts of terrorism against American citizens as part of this rather amorphus Islamic Jihad movement rather than an organization of people affiliated around a culture or an idea or a movement.

As a result, the statute needs to include that third group of people, as we know, after September 11. We have specific cases of people in which warrants were sought but were not obtained because we couldn't make that connection to either a specific country or a very specific terrorist organization. Instead, the individual had relationships with various people and organizations involved in terrorism but certainly we couldn't say he was a card-carrying member in the sense that the statute was originally drafted. So the same requirements, as Senator SCHUMER said, would pertain. It doesn't apply to U.S. citizens. It only applies to foreign terrorism. But it would include a person coming here from another country—not a U.S. citizen—and we have probable cause to believe is engaged in or about to engage in an act of terrorism.

In that case, the law enforcement authorities can go to the court and seek a warrant just as they do in any other criminal court. But the difference here is the Foreign Intelligence Surveillance Act. One of the reasons a special

court is set up for that is because the information which the Justice Department frequently presents is highly classified. Clearly, here you are dealing with foreign threats—either an international spy spying on us from another country or some kind of terrorist like Zacarias Moussaoui, and the information you have that enables the warrant to be sought was obtained obviously through intelligence work. You don't want to compromise either the sources or the methods of intelligence. As a result, you can't just file publicly in the regular court system for a warrant.

That is why the Foreign Intelligence Surveillance Act court was established. These are judges just like any other judge, but they have special intelligence clearances. They have been cleared to handle classified material. By the rules of the court, that material is kept in the court. Once allegations have been filed against people, then the matter can be debated in camera, which is to say in private—not in public hearings. Proceedings remain classified, at least until the matter is included; perhaps thereafter as well.

This is the way in which these highly sensitive intelligence matters are handled. It takes a special procedure and a special court to do that. But there is nothing antithetical to a constitutional right simply because we have to handle it that way.

There are other situations, as well, in which in our court system can handle things nonpublicly. There are sometimes sensitive matters between litigants that have to be handled in camera; that is to say, in effect in the judge's chambers and not out in public. Certainly, I think everybody can recognize that in some of the big spy cases and international terrorism cases you just can't take the evidence you gathered by the intelligence mechanism which we have and produce all of that information in open court. That is why you have these special procedures. But the underlying legal requirements to obtain the warrant remain essentially the same. They are slightly different in the classified court than in a regular court.

In all candor, they are a little bit easier to obtain. But the basic element of probable cause and belief that a crime is being committed or is about to be committed or is planned remains. Nothing is changed.

As Senator SCHUMER pointed out, our legislation doesn't change anything relating to the standard of proof, the burden of proof, or anything of that sort in the existing law that works so well. What we do is ensure that the warrant can be obtained not just against the spy for a specific country, or the terrorist whom you can identify as a member of a particular terrorist organization—sort of an anachronistic concept in today's terrorist situation—but also pertains to the non-U.S. citizen, a foreign person who comes here from abroad with the intent to commit some act of terrorism against U.S. citizens.

When you have those elements, you have the same foreign terrorist nexus to the law that our Constitution permits included within the Foreign Intelligence Surveillance Act for purposes of obtaining warrants or obtaining other surveillance of the individuals. That is all we do. That is all that is done by this legislation.

So those of us—including I think every one of us on the Judiciary Committee—who consider ourselves civil libertarians need not be concerned that this statute or that this legislation, in any way, would impact on our constitutional rights, nor that it would diminish the constitutional rights of non-U.S. persons who are not engaged in terrorism. But if we have probable cause to believe you are engaged in an act of terrorism, then, yes, you would be subject to provisions of this law.

This legislation has an interesting history, as I alluded to earlier, because it was assigned to the Intelligence Committee, and it was almost included as a part of the Intelligence Authorization Act of last year. And the chairman of the Intelligence Committee this year was kind enough to offer to include it in this year's legislation as well.

Since we were able to also have the bill marked up in the Judiciary Committee and brought to the floor as a result of that markup, that was not deemed necessary. That is why the bill is here—actually as a result of action by the Judiciary Committee.

So both the Intelligence Committee and the Judiciary Committee have been involved in this legislation, the former having a hearing and the latter having marked up the bill. Having been a member of the Intelligence Committee and sitting, as I do, on the Judiciary Committee, I can tell you it was also the subject of additional comments and hearings that were held for broader purposes of examining the terrorism issue. That is why I mentioned the fact that the legislation had actually been supported publicly by various Government officials who testified before either the full Judiciary Committee or the subcommittee I chair on terrorism and technology. They had testified before our committee on terrorism issues generally, and I specifically asked whether they supported the legislation in question; the response to the questions, of course, was that they did.

Another interesting hearing, which was a joint hearing, as I recall, between the Judiciary and the Intelligence Committees had testimony from Coleen Rowley, referred to by Senator SCHUMER earlier. You will recall, she was the agent from Indianapolis who was very exercised about the fact that she could not get a warrant against Zacarias Moussaoui and complained bitterly that the FBI headquarters had prevented her from doing that. She thought the conditions warranted the issuance of the warrant.

It is a debatable point. But it would not have been debatable if our proposal had been law. It would have been very clear. We had the probable cause. The only question was, Can we tie this person to some international terrorist organization? As I said before, we spent a lot of time and a lot of effort trying to run around tracing his contacts with Chechen rebels, and at the end of the day it just was not specific enough to be able to use the statute to get the warrant against him.

Right after 9/11, when essentially the same warrant was sent forward, then we had additional information of contacts this individual had, as a result of which the warrant was obtained. But that would not have occurred had September 11 not occurred—or at least it is doubtful it would have occurred. Let me put it that way.

Would that have prevented the September 11 attacks? No one knows for sure. I suspect not, but at least a plausible case can be made that we would have known a lot more about the planning of September 11 had we been able to get into Moussaoui's computers and questioned him and ascertained what he was up to and, furthermore, traced the contacts we were later able to trace from Moussaoui to others involved in the al-Qaida movement that would have painted a much clearer picture of what was being planned prior to September 11 than the information that we had.

The point is, we do not want to be in that position again. So whether it would have prevented 9/11 is really beside the point. We had the ability to get information which can protect the American people against acts of international terrorism. Why wouldn't we want to take advantage of that opportunity?

As I said, the Judiciary Committee unanimously voted this bill out of committee to send it to the floor so we could deal with that precise issue. I am certain my colleagues will agree that this is important to do and that we will do it a little bit later on this day. When we do, I think we can be very proud of the fact that this is another in a series of things we will have done to help prepare our country against the international terrorist threat.

We know that in the whole matter of homeland security you can only provide so much defense, that it really is about taking the fight to the enemy. Because our country is so big, it is so open, we have such broad freedoms in this country—and thankfully so—it is virtually impossible to absolutely protect us from a terrorist who would come here to do us harm. One of the ways we can help to protect against that is by getting good intelligence on people who come here from abroad and who we find out mean us ill. This provision today is a way to help us do that.

So this is a tool in the war on terror that will really help us ensure that we deal with as many of these threats as we possibly can. Are we always going to find out enough to even get a warrant? Not necessarily so. That is why

the efforts of the administration to go after these terrorists all around the world are so important.

But what has helped us in that regard is that we have had cooperation from other governments. And as much as we have been critical of some of our allies for not supporting us as we would like to have had them do—such as the situation in Iraq—I will tell you, virtually every country in the world has been supportive in one way or another in supplying us with information about terrorists in their countries or terrorists of whom they are aware who might be affiliated in some way in this international movement that threatens us all.

One of the things we discovered, however, in talking to legislators and parliamentarians from these other countries, and intelligence officials, and law enforcement officials, is that they have legal inhibitions just like the United States does. Their laws only permit them to go so far in tracking down these terrorists in their country.

In the case of Germany, for example, which has been very helpful to the United States, they were able to change one of their laws to make it easier for them to go after these terrorists. There was another law they also needed to change, and at last count I do not recall whether they were able to get that done.

But the point is, if we are able to change our law, as we did with the Border Security Act and the USA Patriot Act, we can demonstrate a seriousness of purpose to these other countries to convince them that all of us need to make these kinds of changes in our laws so that we can go after these terrorists.

The analogy is, we won the war in Iraq in a most amazing way. We sent our troops with the best equipment and the best training ever in the history of the world. And I wish I could share some of that, the information about that equipment publicly. But I think we have all, through the embedded reporters, come to appreciate how just one American soldier, with all of the technology at his disposal, can make a tremendous difference.

We also have helped protect them. They have special flak vests, bullet-proof vests that protect them against a lot of incoming. We try to protect them with the special chemical gear in the event of a chemical attack, and so on.

We want to send our troops into battle protected in the very best way and with the very best means of accomplishing their mission. Why would we deny our law enforcement and intelligence officials the very same kinds of weapons in the battle that we send them out to win?

I guarantee you that the next time there is a case like Zacarias Moussaoui or some other terrorist about whom we have some information but we don't go after strongly enough, and he does something to us, the recrimination will be great. Oh, the accusations will fly: Why didn't we do something about that when we could have?

So our response today is going to be: We did. We came together as a Senate and we enacted another law, another piece—it is a small piece, but it is an important piece—to help us fight this war on terror. We did not shirk our responsibility. When we became aware of the loophole in the law, we acted to fill it.

Now, we have to do that in order to be able to take this credit, obviously, but I believe strongly that the House of Representatives will act similarly and that we will be able to get this to the President's desk in very short order, so at the end of the day today we can say we have done something very important to advance our ability to fight the war on terror and protect the American people.

Again, I urge my colleagues, if there is no opposition—and I hope there isn't—that is fine. But anybody, either in opposition or in favor of the legislation, come forward so that we can have whatever debate is necessary. And I especially ask the proponents of amendments to come forward so that we can begin to debate them.

I will take this moment to press some of the comments that will be made about the two amendments.

Senator FEINGOLD has proposed an amendment that we will accept and the Senate should accept which requires that the warrants obtained under this law generally—not just the provision we are talking about today, but if we obtain a warrant under either of the other provisions as well, that the information be compiled and shared with the Senate; specifically, that the information be sent to the Intelligence Committee—it is classified information, obviously—and that the cleared people on the Judiciary Committee who are appropriate to view the information have full access to that so we can evaluate whether these provisions are being used, abused, how often they are being used, how effectively, and so on. I believe his amendment calls for an annual report which we could examine. That is very useful information for us to have.

One thing we found was that prior to 9/11, this statute had not been used very often. It is not a particularly easy statute with which to comply. You do really have to have your information together before you seek the warrant because you don't ever want to be turned down. I don't believe the Justice Department ever was turned down. That is evidence of the fact that they were careful. Since 9/11, there have been a lot more cases in which this has been used. That information will be available to us, and therefore I will support Senator FEINGOLD in offering the amendment.

The other amendment that is in order under the unanimous consent agreement, with all due respect to my great friend and colleague Senator FEINSTEIN, would gut the bill and would be bad. It would really undermine the whole FISA process. We should reject it. I know she offers this amendment not for that purpose. Of all the people in the Senate with whom I have worked who share my strong conviction that we need to do everything we can to support our intelligence and law enforcement communities, Senator FEINSTEIN is equaled by none. She is the ranking member of the Terrorism Subcommittee, and she and I have cosponsored numerous bills or amendments designed to enhance law enforcement and intelligence capabilities. She is a very strong advocate of giving our intelligence and law enforcement communities the very best tools possible.

She just has a different point of view about how this FISA warrant process should work. I will let her describe it. I will offer my view that it has no place in the FISA situation. What her amendment purports to do really might have some applicability in a court setting because it talks about a presumption. As lawyers know, presumptions arise when you have two parties to litigation and one party comes forward with a particular piece of evidence or allegation which then changes the burden of going forward with the evidence or the burden of proof in the case. A presumption is established, and then the other side has to overcome it. That has no place in an ex parte hearing where the Government is seeking a warrant against a party who is not even aware that the warrant is being sought. Obviously, you don't get a search warrant by notifying him that you are about to do that.

What her amendment pertains to does not really have application to the situation presented in an application for a FISA warrant and would seriously undermine the Government's ability to obtain it. You could either read it one of two ways. Either it would be totally meaningless—and I know that that is not intended—or else it would be very pernicious because it would create the suggestion in court that the material presented to it is not, is no more than a presumption, that it is not to be accepted on its face.

Specifically, the Government would be asserting that the person against whom the warrant is sought is a non-U.S. citizen, a foreign person under the definition of the statute. If that information is presented in sufficient form for a court to issue the warrant, it makes no sense at all to have the information merely a presumption that the individual is a foreign person. How does that advance the ball? How does it help the court? How does it protect anybody? The court is still going to have to answer the very same question: Do I believe the information the Government is presenting to me that this is a non-U.S. citizen? Either he is or he isn't. It is not a matter of a presumption.

If the court is not convinced that the Government's information is correct,

then the court is not going to issue the warrant. It would be improper to do so. If the court is convinced that the person is a non-U.S. citizen, then the court can issue the warrant if the other requirements are met. I don't believe Senator FEINSTEIN attacks the other requirements.

Either you are a foreign-born person, or a non-U.S. person, or you are not. The court has to make that decision. And creating a presumption about it is really irrelevant to this particular process. If it is more than irrelevant, there is some kind of a problem. Obviously, you don't want the court to have to somehow independently verify the information that is presented to it by the Justice Department. That is not a part of; that is not the way the court works. The court does not do this sua sponte, or on its own. The court has the information before it, and it either has to accept the information or not. It doesn't have to accept the Justice Department's word for it. The Justice Department cannot simply make the assertion. It has to offer the proof. If the proof is not satisfactory, the warrant will not issue. Later, if it is found that the evidence was not satisfactory, then there is always some question about whether the evidence obtained, of course, could be used, say, in a later prosecution.

The bottom line is that that amendment does not help. It could seriously hurt the application of the entire FISA statute. It is not just limited to the amendment we are offering today. I urge my colleagues, when the time comes, to reject the Feinstein amendment, not because it is not well intended—I am confident that it is—but, rather, that its effects are ill understood at best and, at worst, would be pernicious to the application of the statute.

I have said all I need to say at this point on the legislation. I would note that time will run against the time allotted under the bill. Since both Senator SCHUMER and I control the time, anyone who wishes to come to speak to the legislation either for or against, I ask unanimous consent that if neither Senator SCHUMER nor I are here, they should be permitted to do so without specific acquiescence by Senator SCHUMER or myself.

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

Mr. KYL. Unless there is someone else who wishes to speak at this time, I ask unanimous consent that the time consumed in the quorum call be equally divided.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ORDER OF PROCEDURE

Mr. REID. Mr. President, shortly the distinguished Senator from Ohio is going to speak for 15 minutes as in morning business. I ask unanimous consent that the time, even though in morning business, be charged against the underlying bill.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DEWINE. Mr. President, I ask unanimous consent that at 1:25 p.m. today there be 20 minutes for debate equally divided between the chairman and ranking member of the Judiciary Committee prior to the cloture vote at 1:45 p.m.

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

Mr. DEWINE. Mr. President, today—on the 58th Anniversary of the unconditional surrender of Germany and the end of World War II in Europe—a flag will be flown over this Capitol building here in Washington, DC, to honor the men who served in Company K, the most decorated company in the 409th Regiment of the 103rd Infantry Division, 6th Corps of the 7th Army. The members of the Company will display this flag at their reunion later this year in Green Bay, Wisconsin, and at all future reunions, in memory of the men from K Company who fell on the field of battle, the men who did not return home.

Though it has been 58 years nearly 6 decades, since these men served and fought and lived and died together, the men of K Company, now in their late 70s and 80s, continue to remember and honor their brothers who died in battle.

The members of K Company—the men who did return home—the men who were able to lead their lives and have families and grow old and spend time with their children and grandchildren and now even great-grandchildren—these men have great reverence for those who died. As Bill Gleason, who was a Private in Company K, so eloquently once wrote in the Southtown Economist in May 1988:

> Some in our Company were denied the chance to reach old age. They didn't make it to adulthood. They never were old enough to vote in an election. They died then—there in France or Germany. . . . They are frozen in time as they were—forever youthful.

I would like to take a moment to read the names of those men of K Company, the men who perished during battle, the men who remain, as Mr. Gleason so fittingly wrote, forever youthful: Wilson F. Rogers from Tacoma, WA.; James Rosenbarger from Corydon, IN; Rosco Fry from Spickard, MO; Stanley Berdinski from Muskegon, MI; Bruno Pashisky from Chicago, IL; Sherman Sprague from Clinton, IA; Alex Hurtiz from El Paso, TX; Charles Frakes from Kokomo, IN; Abe Umansky from San Diego, CA; Edwin Byron from Akron, OH; and Albert Strang.

K Company was no ordinary company. It was recognized as the Most Decorated Company in the 409th Regiment. The soldiers of K Company fought valiantly in France, Germany, and Austria. They saw combat in the Rhineland from September 15, 1944 to March 12, 1945 and in Central Europe from March 22, 1945 to May 11, 1945.

Two books have been written about the Company—one by Bill Gleason, called Task Force Kommando: Camp Howze, Texas to Jenbach Austria; and A Combat Infantryman in World War II, by Otis Cannon, who also served in the Company. Both books provide an excellent perspective of an Infantry company in combat during World War II. They describe the reality of the War that these brave, young Infantrymen on the frontlines faced. They paint us a picture of what life was really like for these men—how they struggled and endured fierce fighting, rugged terrain, and miserable conditions until they helped secure the ultimate victory 58 years ago today.

I had the opportunity to read both of these books this past weekend. Both of them provide insightful understanding of what life was like for these men during that period of time.

The one book, ''Task Force Kommando,'' by Private Gleason, was written shortly after the end of World War II. Both books were written by the men who engaged in the combat. It goes almost in a day-by-day chronicle describing that combat. It gives us an understanding of what the combat was like.

K Company's commander was Captain Joseph Bell, who hailed from Topeka, KS. By all accounts, Captain Bell was a man among men. He was fearless. He was a brilliant tactician. And, he was respected and admired by those who served under him.

I was quite taken by a description of Captain Bell that I read from a recent e-mail exchange between two former K Company soldiers. In this e-mail, one of the men recalled his first impressions of Captain Bell and how this man and how this Company have had a lasting impact on his life. I think that this depiction captures a very colorful image of Captain Bell and how he was looked up to and admired by his men. I'd like to take a few moments to read from that e-mail. It begins as a young, World War II Army Private, who has recently arrived in Europe, awaits his company assignment:

> We were told that the next morning, we would be assigned to some infantry company. That night, we went into a bar and

were bought some beer by some GI's who knew we were (for want of a better word) very uptight. All they talked about was Captain Bell and his K Company. They told us that if we wanted to do a lot of fighting that would be the company to be assigned to. That was really not what [my buddy, Ernie Dessecker] and I had in mind!

A little before dark, someone on the other side of the room yelled that Captain Bell was walking down the street and every single soldier in that bar got up and crammed the windows to get a look at him. He had a couple of other officers on both sides of him, but he was walking a step or two ahead. It was a dirt muddy street, but he looked like he was walking on a parade ground. After he went by, you could hear Captain Bell stories all over the bar.

The next day, we were loaded on a truck and at each town, it would stop and some names were called to get off. When Dess and I were told to get off, the first thing we asked was, ''What company is this?'' When told it was Company K, we both wished we could climb back on that truck and head for the rear echelon! Of course, in a very short time, we were so very proud to be part of Captain Bell's Company K, and that pride continues to this day.

I was assigned to John Miller's squad in the second platoon with Sergeant Hart and Lieutenant Monk as platoon leaders. They were very kind and excellent leaders. I learned a lot from them that has stayed with me all these years.

Mr. President, leaders like Captain Bell and John Miller and Sergeant Hart and Lieutenant Monk were tough soldiers, but they had to be, and all the men who served under them came to understand that.

As Bill Gleason wrote about Captain Bell:

> We understood . . . that if we made it through the war, we would owe our lives to him. And, we do. . . . [H]e kept us alive simply because he insisted we stay alive.

Leaders, like Captain Bell, made all the difference.

As Memorial Day approaches, I ask my colleagues to think about Captain Bell and the men of K Company. I ask my colleagues to think about and remember all the men and women who served our Nation during World War II—and to think about and remember all the men and women who have defended our Nation since that time. Memorial Day is a time to honor and remember these individuals. They fought, and therefore all of us now know peace and freedom—our children and our grandchildren know peace and freedom. We owe them our respect and, we give them our thanks.

I am grateful for the men of Company K.

I am grateful that they fought so that I can be here today in a free country—that I can stand here today on the Floor of the United States Senate in the world's greatest Democracy.

And, I am grateful that we can continue to enjoy Life, Liberty, and the Pursuit of Happiness because of their efforts nearly 60 years ago.

I thank them.

I thank all the men of K Company and especially one man who served in the Company—the author of the e-mail I quoted just a moment ago—a Private named Richard DeWine. To him, I will simply say:

Thanks, Dad.

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

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

The legislative clerk proceeded to call the roll.

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

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

EXECUTIVE SESSION

NOMINATION OF MIGUEL A. ESTRADA, OF VIRGINIA, TO BE UNITED STATES CIRCUIT JUDGE FOR THE DISTRICT OF COLUMBIA CIRCUIT—Resumed

NOMINATION OF PRISCILLA RICHMAN OWEN, OF TEXAS, TO BE UNITED STATES CIRCUIT JUDGE FOR THE FIFTH CIRCUIT—Resumed

Mr. LEAHY. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. There will be a cloture vote on the Estrada nomination at 1:45.

Mr. LEAHY. I thank the distinguished occupant of the Chair.

Mr. President, it is unfortunate, I believe—and I say this as one who has been here with six different Presidential administrations of both parties—that rather than work with the Senate and Senators from both parties to identify consensus nominees who would get the overwhelming bipartisan support of the Senate for prompt confirmation, the administration seems to insist only on partisanship and strong-arm tactics.

Rather than ideological court packing and political intimidation on which the other side is insistent, I continue to urge the administration to work with us to take the appointment of Federal judges out of politics. If we do that, we can ensure the independence and fairness of the Federal judiciary.

Everybody, whether they are Republican or Democrat, has a stake in having an independent Federal judiciary. None of us want this country—which is rightly praised for having the most independent Federal judiciary in the world—none of us want to see it become a partisan judiciary.

Now, today we are going to be asked to vote on two cloture motions—one on the Estrada nomination and one on the Owen nomination. I think the last time the Senate was called upon to vote on two cloture motions for nominations on the same day was when Republicans were filibustering the nominations of Richard Paez and Marsha Berzon in the year 2000. Three years ago, numerous Republicans voted against cloture on those nominees, even though Judge Paez had been pending for more than 4 years.

I worry that the Republicans spend all this time talking about how we are blocking judges. As a matter of fact, we are not. Out of 125 judicial nominees the Senate has considered, we have confirmed 123 of them. We have held up two. Two out of 125 is not bad. In fact, President Clinton would have loved to have had that kind of a record when he was President, but the Republicans stopped more than 50 of his judges—not merely two as we are asking to be reconsidered. They blocked 50.

Under Republican control, there were not a whole lot of votes on the floor. Basically, they had a routine that if one Republican Senator objected, then the nominee never got a hearing and never got a vote. The Republicans never faced having to debate the nominees on the floor. The nominees were just never given a hearing in committee. They were never given a vote on the floor.

We had several Senators, many serving now, who just refused to return their blue slips. In fact, we had a definite rule by the chairman of the Judiciary Committee at the time that said that if you had a Senator, for example, from the home State who objected, that person would not go forward.

We had this once where the Senator from North Carolina objected to a circuit court judge, so, of course, we never had a hearing or a vote on that nominee. The Senator from Texas objected to several courts of appeals nominees. Distinguished Hispanic nominees were never given a hearing and never given a vote, because, as the chairman said, if both Senators from the State objected, of course, you could not go forward.

I know the Republicans now intend to go forward with at least one judge where both Senators from that State object—apparently it makes a difference who is President. When they blocked 50 or 60, some by a one-person objection, that was considered following the constitutional responsibility of advice and consent. When we ask to hold up two of the most controversial, divisive nominees—2 out of 125 nominations—we are suddenly obstructionists. But 50 or 60 on the other side is ''good government.''

Now, a lot of us have worked hard to repair the damage done during that time, from 1995 through the early part of 2001. But again, I find, unlike the other administrations I have served with here—President Ford, President Carter, President Reagan, former President Bush, President Clinton; all Presidents who would work with Senators of both parties to try to get a consensus on their nominees—this White House shows no interest in that.

There has been little acknowledgment of our efforts. The current administration continues down the strident path of confrontation and court packing rather than working with Senators. Well, court packing and politicizing of

the Federal judiciary should never be allowed under any President.

One of my heroes is Franklin Roosevelt. When Franklin Roosevelt tried to pack the courts, tried to politicize the appellate courts, the Senate stopped him. And the Senate should always do that—no matter who the President is.

I am not concerned that the President nominates conservative Republicans—and I voted for hundreds of them over the years—but I am not going to vote for somebody who seems to be nominated solely for the purpose of politicizing the Federal bench.

When I was chairman of the committee, we worked hard to hold hearings and confirm nominees, in order to lower the number of vacancies—which had increased because of the refusal of Republicans to allow many nominations to go forward during the Clinton years. We had a very high number of vacancies. After I became chairman, we cut that number of vacancies virtually in half. Now the vacancy rate is down to about 5½ percent.

Now, people seem to talk about two judges not going forward, two judges for well-paid lifetime jobs. I wish, having gotten the judiciary vacancy rate down to 5½ percent, we would look at the fact that the Nation's unemployment rate is 6 percent. The number of private-sector jobs lost since the beginning of the Bush administration is 2.7 million. Almost 9 million Americans are now out of work. Unemployment has risen by more than 45 percent.

The Democrats in the Senate have moved forward to confirm 123 of this President's judicial nominees. But the Republican-led Senate seems obsessed with trying to force through the most divisive of this President's controversial, ideologically chosen nominees.

During the Clinton administration, President Clinton's administration added a million people—a million new jobs—every year. We are losing well over a million jobs a year since this administration came in.

I would suggest that if they really want to find some way to fix the unemployment, don't talk about two people getting extremely high-paying lifetime jobs, talk about the 9 million or so out of work.

What bothers me in the Estrada matter, is that the administration and the Republican leadership have shown no willingness to be reasonable to accommodate the Democratic Senators' request for additional information as shared with the Senate by past administrations. We have endured numerous cloture votes as an indication of Republican intransigence in this matter. It is nothing more.

What bothers me, again, is that there has been no effort—no effort made, as there always has been in past administrations—to work through these matters. It just does not happen.

I mention this more in sadness than anything else. But it is almost as though this administration plays by different rules than any other.

I suggest to the administration, they were not given a mandate to politicize our Federal judiciary.

They were not given a mandate for court packing. They were not given a mandate to take the independent Federal judiciary and turn it into a very narrow branch of the narrowest part of the Republican Party. Nobody is given such a mandate. Just as Franklin Roosevelt found when he wanted to pack the courts from the liberal side and the Senate said no, by the same token, President Bush has to be told no now that he wants to pack the courts on the other side. We do not want a political bench. Anyone ought to be able to come into a court and say, it makes no difference whether I am Republican, Democrat, rich, poor, White, Black, Independent, no matter what my background, I will be treated fairly by that judge.

This is the standard I have always held for the judiciary and for each judge—fairness. I voted for hundreds of Republicans. I voted for them in every single State of the Nation. But I am not going to vote for people who seem to be sent there simply to politicize and polarize the Federal courts.

When I was chairman, I moved faster on nominations of President Bush than the Republican Party ever did on nominations of President Clinton. I stopped the anonymous holds. Dozens upon dozens of President Clinton's nominations were held up by a single Republican putting an anonymous hold. I did away with that when I was chairman. We brought people up, we had hearings, and we voted. As I said before, it is, of course, a fact that we have confirmed 123 of the President's nominees.

We hear all of a sudden that this is so unprecedented. Yes, it is unprecedented. We have held up two. They held up 60. Maybe it is unprecedented that we did not do the same thing.

I believe filibusters should be rare. I said on the floor that I was opposed to them but that statement has now been taken out of context by some on the other side of the aisle. If you read the whole quote, you will see that I was referring to a filibuster by anonymous hold, something I did stop when I became chairman. But the administration holds the key to the Estrada nomination. If they want to make it go forward, we could.

Today the Republican leadership is insisting on two more cloture votes on the Estrada and Owen nominations. These will be the sixth vote on a cloture petition on the Estrada nomination and the second on the Owen nomination. The last time the Senate was called upon to vote on two clotures for nominations that I can recall is when Republicans were filibustering the nominations of Richard Paez and Marsha Berzon in 2000. Three years ago today, on March 8, 2000, numerous Republicans voted against cloture on those nominees, respectively, even though Judge Paez' nomination had been pending for more than four years at that point. Those Republican Senators included nine who are still serving today, including majority leader BILL FRIST and Senators ALLARD, BROWNBACK, BUNNING, CRAIG, DEWINE, ENZI, INHOFE, and SHELBY, as well as Senators GRAMM, HELMS, HUTCHINSON, MURKOWSKI, and SMITH, who led the filibuster of these two nominees. In fact, after Republicans failed to keep cloture from being invoked, Senator SESSIONS moved to indefinitely postpone the Paez nominations, and 31 Republicans voted in favor of that motion to stop a vote on Paez's nomination to the Ninth Circuit. Those Republican Senators included 22 who still serve in the Senate, including majority leader FRIST as well as Senators ALLARD, BOND, BROWNBACK, BURNS, COCHRAN, CRAIG, CRAPO, DEWINE, FITZGERALD, GRASSLEY, GREGG, INHOFE, KYL, LOTT, MCCONNELL, NICKLES, SANTORUM, SESSIONS, SHELBY, THOMAS, and WARNER.

Since July 2001, a number of us have worked very hard to repair the damage done during the years 1995 through the early part of 2001. We have made significant progress. Unfortunately our efforts have received little acknowledgment and the current administration continues down the strident path of confrontation and court packing rather than working with Senators of both parties to identify and nominate consensus, mainstream nominees.

While the Nation's unemployment rate rose last month to 6 percent. The vacancy rate on the Federal judiciary has been lowered to 5.45 percent. While the number of private sector jobs lost since the beginning of the Bush administration is 2.7 million, almost 9 million Americans are now out of work, and unemployment has risen by more than 45 percent, Democrats in the Senate have moved forward to confirm 123 of this President's judicial nominees, reduced judicial vacancies to the lowest level in two decades, by almost 60 percent. Yet the Republican-led Senate remains obsessed with seeking to force through the most divisive of this President's controversial, ideologically-chosen nominees.

The President promised to be a uniter not a divider, but he has continued to send us judicial nominees that divide our Nation and, in the case of Miguel Estrada, he has even managed to divide Hispanics across the country. The nomination and confirmation process begins with the President, and I urge him to work with us to find a way forward to unite, instead of divide, the nation on these issues.

Republican talking points will likely focus on the impasse on two of the most extreme of the President's nominations rather than the 123 confirmations and the lowest judicial vacancy rate in 13 years. They will ignore their own recent filibusters against President Clinton's executive and judicial nominees in so doing.

What is unprecedented about the Estrada matter is that the administration and Republican leadership have

shown no willingness to be reasonable and accommodate Democratic Senators' request for information traditionally shared with the Senate by past administrations. That we have endured numerous cloture votes is an indictment of Republican intransigence on this matter, nothing more. What is unprecedented is that there has been no effort on the Republican side to work this matter out, as these matters have always been worked out in the past. What is unprecedented is the Republican insistence to schedule cloture vote after cloture vote without first resolving the underlying problem caused by the administration's inflexibility.

What is unprecedented about the Owen nomination is that it was made at all. Judge Owen had a fair hearing and was given fair and extensive consideration before the Judiciary Committee last year. We proceeded is spite of the fact that the Republican majority had refused to proceed with any of President Clinton's Fifth Circuit nominees during his last four-year term. Never before in our history has a President renominated for the same vacancy someone voted down by the Judiciary Committee, but that is what this President proceeded to do with this divisive and controversial nominee.

Senator HATCH used to say, when President Clinton was nominating moderates to more than 100 vacancies on our Federal courts, that there was no vacancy crisis. He used to say that he considered 67 vacancies to be ''full employment'' on the Federal judiciary. Today we are well short of 100 vacancies and well beyond what he used to term ''full employment'' with 47 vacancies. The committee continues to report nominations to fill additional vacancies, as well.

From 1995 through the summer of 2001, the Republican majority averaged only 38 confirmations a year with only seven to the Courts of Appeals. That explains why Federal judicial vacancies rose from 63 to 110 on the Republican watch and circuit vacancies more than doubled from 16 to 33. Of course, during those years there were no Republican-led hearings calling for prompt action or fair consideration of President Clinton's moderate judicial nominees. To the contrary, Senator Ashcroft held hearings designed to justify the slowdown. Senator Ashcroft and others perfected the practice of using anonymous holds both in committee and on the floor so that judicial nominees were stalled for months and years without consideration. Scores of nominees never received hearings, at least 10 who received hearings never received committee consideration and those who were ultimately considered often were delayed months and years through holds and filibusters.

Beginning in July 2001, Democrats started bringing accountability and openness to the process. In the 17 months of the Democratic Senate majority we held more hearings on more judicial nominees, more committee votes and more Senate votes than before. We were able virtually to double the pace and productivity of the process. We did away with the secrecy of the ''blue slip'' and the anonymous hold. We considered President Bush's nominees fairly, responsibly and in those 17 months confirmed 100 of this President's nominees. We reversed the destructive trends with respect to the numbers of vacancies and length of time that nominees had to wait to be considered. While we could not consider all nominations simultaneously, we considered more, more quickly than in the preceding years. The Democratic majority inherited 110 judicial vacancies including a record 33 to the circuit courts. By December 2002, we were able, through hard work to outpace the 40 additional vacancies that had arisen and reduce the remaining vacancies to 60, including 25 to the circuit courts. We have continued to cooperate and today the remaining vacancies number 47, including 20 on the circuit courts. This is the lowest vacancy number and lowest vacancy rate in 13 years.

This is not to say that our work is done. Last week, with the help and hard work of the Senate leadership we were able to make additional progress. Last Wednesday, majority leader FRIST used the word ''progress'' to describe how we have been able to resolve complications caused by the manner in which nominations were forced through the Judiciary Committee early this year. Last Thursday, I thanked the majority leader and the Democratic leader and others for their efforts in this regard and for working with us to bring the nomination of Judge Edward Prado to a vote without further, unnecessary delay.

This Tuesday the Senate debated and voted on the nomination of Deborah Cook to the Sixth Circuit. She is the fourth nominee of President Bush to be confirmed to the Sixth Circuit in less than two years. During the entire second term of President Clinton, the Republican majority would not hold hearings or consider a single one of President Clinton's nominees to the Sixth Circuit—not Judge Helene White, not Kathleen McCree Lewis, not Professor Kent Markus. Nonetheless, while I was chair of the Judiciary Committee we proceeded to consider and confirm two conservative nominees of President Bush to the Sixth Circuit and this year the Senate has proceeded to confirm two more.

The work of the Senate would be more productive if this administration were more interested in filling vacancies with qualified, consensus nominees rather than packing the Federal courts with activist judges. The nominations and confirmation process begins with the President. Far from being someone who has sought consensus and unity on judicial nominees, this President has used judicial nominees as a partisan weapon and sought sharply to tilt the courts ideologically. That is unfortunate. Some of us have urged another course, a course of cooperation and conciliation, but that is not the path this administration has chosen. Yet, in spite of the historically low level of cooperation from the White House, the Senate has already confirmed 123 of President Bush's judicial nominees, including some of the most divisive and controversial sent by any President.

Last week the Senate proceeded to a vote on the nomination of Jeffrey Sutton to the Sixth Circuit. He received the fewest number of favorable votes of any nominee in almost 20 years with 52. He is the third controversial judicial nominee of this President against whom more than 40 negative votes were cast, yet those three nominees were not stalled and not subjected to a filibuster.

In just the last 2 years, 123 of the President's judicial nominees have been confirmed. One hundred of those confirmations came during the 17 months of Democratic leadership of the Senate. No fair-minded observer could term that obstructionism. By contrast, during the 6½ years during which Republicans controlled the Senate and President Clinton's nominations were being considered, they averaged only 38 confirmations a year. During the last 2 years of the Clinton administration, the Senate confirmed only 73 Federal judges. Combining the 1996 and 1997 sessions, Republicans in the Senate allowed only 53 judges to be confirmed in 2 years, including only 7 new judges to the circuit courts. One entire congressional session, the Republican-led Senate confirmed only 17 judges all year and none at all to the circuit courts. The Senate confirmed 72 judges nominated by President Bush last year alone under Democratic leadership.

By Republican standards, the 123 judges confirmed so far is more than they averaged for President Clinton over 3 years. If the Senate shut down today and did not consider another judicial nominee we would have already exceeded the total needed to best Republican efforts over an entire 3-year period. At the present rate, President Bush would not just exceed the number of judges appointed by prior presidents, he would shatter all appointment records.

This year, in spite of the lack of cooperation by the administration and the overbearing exercise of power by the majority, we have cooperated with committee action on 26 judicial nominees during the first 3 months of this year. We have proceeded in the Senate to vote on the confirmations of 23 judicial nominees this year, including four extremely controversial nominees to the circuit courts, which makes 123 of this President's judges confirmed overall. That compares most favorably to how Republicans treated President Clinton's nominees. In the 1996 session, for example, the Senate did not confirm a single circuit judge all year and confirmed only 17 judges that entire year. In 1999, the third year of that

Presidential term, and in 1997, the Senate did not reach the level we have already attained until October. We are well ahead of the pace in every year in which Republicans were obstructing consideration of President Clinton's nominees.

A good way to see how much faster this chairman is processing nominations for a Republican President is to compare this year's pace to a comparable year in the last Democratic administration. In 1997, when Bill Clinton was President, the Republican-controlled Judiciary Committee was just holding its second judicial nominations hearing of the year—compared to the ninth hearing that we held this week and was considering its first two circuit court nominees of the year—rather than its tenth. This chairman has moved five times more quickly for President Bush's circuit court nominees than for President Clinton's, and vacancies in the courts are nearly half of what they were in 1997. Even more noteworthy, by this point in 1999, the third year of the last presidential term, the committee had not held or scheduled a single judicial nominations hearing. In fact, no hearing for a judicial nominee was held until June of that year.

The fact is that when Democrats became the Senate majority in the summer of 2001, we inherited 110 judicial vacancies. Over the next 17 months, despite constant criticism from the administration, the Senate proceeded to confirm 100 of President Bush's nominees, including several who were divisive and controversial, several who had mixed peer review ratings from the ABA and at least one who had been rated not qualified. Despite the additional 40 vacancies that arose, we reduced judicial vacancies to 60, a level below that termed ''full employment'' on the Federal judiciary by Senator HATCH.

During the 17 months I chaired the Judiciary Committee, I worked hard to ensure that women and minorities were considered for the federal bench, and I am proud of that record. Many Hispanics and women nominated by President Clinton were blocked or delayed by the Republican majority, and I did not want to see that repeated.

Fine nominees such as Christine Arguello, Jorge Rangel, Enrique Moreno and Ricardo Morado and dozens of other Clinton nominees were never allowed hearings by Republicans, and others, such as Bonnie Campbell and Anabelle Rodriguez, received hearings but no votes in Committee. Others, including Judge Richard Paez, Judge Hilda Tagle, Judge Sonia Sotomayor, and Judge Rosemary Barkett, and dozens of other Clinton nominees were stalled for no good reason. Many of Clinton's nominees were not confirmed the first Congress they were nominated, including Judge Paez, who waited 1,520 days to be confirmed, as well as Judge Tagle, who waited 943 days to be confirmed. Cloture was also sought to bring the nominations of Judge Paez and Judge Barkett and others to vote, although scores of others were never allowed hearings due to secret Republican holds.

I am proud that did not happen on my watch. I am glad to say that we quickly considered and confirmed nominees such as Christina Armijo to the District Court in New Mexico, Philip Martinez and Randy Crane to the District Courts in Texas, Jose Martinez to the District Court in Florida, Alia Ludlum to the District Court in Texas, and Jose Linares to the District Court in New Jersey. In addition, this year we have pressed for expedited consideration of Judge Prado of Texas to the Fifth Circuit, as well as Judge Otero of California and Judge Altonaga of Florida to the Federal district courts. This week the Committee included Judge Consuelo Callahan of California in a hearing and I expect her nomination to the Ninth Circuit to be confirmed promptly with strong Democratic support, as well.

The Senate has this week reduced the number of Federal judicial vacancies to the lowest level it has been in 13 years. The 110 vacancies I inherited in the summer of 2001, vacancies that rose by 65 percent under Senate Republican control, have been more than cut in half. In the 17 months I chaired the Judiciary Committee we not only kept up with extraordinary attrition in the form of an additional 40 vacancies, but reduced all those vacancies from the 160 there would have been had we done nothing, down to 60 by last December. Senator HATCH used to argue when President Clinton was in office that 67 vacancies on the Federal courts amounted to ''full employment''. We reached Senator HATCH's standard for a full Federal bench during the 17 months in which the Democrats led the Senate.

We have continued our efforts this year and this week we reached the lowest level of judicial vacancies in 13 years—the lowest level since judgeships were significantly expanded in 1990. We now are working to reduce the remaining 47 vacancies even further.

Since the beginning of this year, in spite of the fixation of the Republican majority on the President's most controversial nominations, we have worked hard to reduce judicial vacancies even further. As of today, the number of judicial vacancies is at 47. That is the lowest it has been in two decades. That is lower than it ever was allowed to go at any time during the entire eight years of the Clinton administration. We have reduced the vacancy rate from 12.8 percent to 5.45 percent, the lowest it has been since 1990. With some cooperation from the administration think of the additional progress we could be making.

Our Senate leadership, both Republican and Democratic, have worked to correct some of the problems that arose from some of the earlier hearings and actions of the Judiciary Committee this year. Last week we were able to hold a hearing on the nomination of John Roberts to the District of Columbia Circuit. We are all working hard to complete Committee consideration of that nomination at the earliest opportunity. Thus, a number of additional, controversial nominations are in the process of being considered and will be considered by the Senate in due course.

My point is to underscore that we have made and are making real progress from the thoroughgoing obstruction from 1996 until 2001. While ''the glass is not full,'' it is more full than empty and more has been achieved than some want to acknowledge. One hundred and twenty-three lifetime confirmations in less than two years is better than any 2-year period from 1995 through 2000. We have reduced judicial vacancies to 47, which is the lowest number and lowest vacancy percentage in 13 years. During the entire 8-year term of President Clinton it was never allowed by Republicans to get that low. We have made tremendous progress. These achievements have not been easy.

The administration has chosen confrontation with the Congress, with the Senate and with this committee. We are now proceeding at three to four times the pace Republicans maintained in reviewing President Clinton's judicial nominees. We have reached the point where the Judiciary Committee and the Senate are often moving too fast on some nominations and we risk becoming a racing conveyor belt that rubber stamps rather than examines these lifetime appointments. Democrats have worked hard to repair the damage to the confirmation process and achieved significant results. Republicans seem merely results oriented and interested in ideological domination of the Federal courts.

As Republicans turn their sights on the propriety of the filibuster in connection with judicial nominations and speculate about changing the rules and suing the Senate, I trust the Republican majority will not overlook the precedent on this question. Republicans not only joined in the filibuster of Abe Fortas to be Chief Justice of the United States Supreme Court, they organized the filibuster of Stephen Breyer to the 1st Circuit, Judge Rosemary Barkett to the 11th Circuit, Judge H. Lee Sarokin to the 3rd Circuit, and Judge Richard Paez and Judge Marsha Berzon to the 9th Circuit. The truth is that filibusters on nominations and legislative matters and extended debate on judicial nominations, including circuit court nominations, have become more and more common on the initiative of Republicans working against Democratic nominees. Now that a Republican President, intent on packing the courts with ideologues, has seen two nominees delayed by filibusters, and even though the other 123 judges he nominated have been confirmed, partisans want to change the rules to make it easier for this President to get his way.

Of course, when they are in the majority Republicans have more successfully defeated nominees of a Democratic President by refusing to proceed on them and have not publicly explained their actions, preferring to act in secret under the cloak of anonymity. From 1995 through 2001, when Republicans previously controlled the Senate majority, Republican efforts to defeat President Clinton's judicial nominees most often took place through inaction and anonymous holds for which no Republican Senator could be held accountable. Republicans held up almost 80 judicial nominees who were not acted upon during the Congress in which President Clinton first nominated them and eventually defeated more than 50 judicial nominees without a recorded Senate vote of any kind, just by refusing to proceed with hearings and Committee votes. These are just the sorts of stealth tactics Democrats have rejected.

Beyond judicial nominees, Republicans also filibustered the nomination of executive branch nominees. They successfully filibustered the nomination of Dr. Henry Foster to become Surgeon General of the United States in spite of two cloture votes in 1995. Dr. David Satcher's subsequent nomination to be Surgeon General also required cloture but he was successfully confirmed.

Other executive branch nominees who were filibustered by Republicans included Walter Dellinger's nomination to be Assistant Attorney General. Two cloture petitions were required to be filed on that nomination and both were rejected by Republicans. We were able finally to obtain a confirmation vote for Professor Walter Dellinger after significant efforts and he was confirmed to be Assistant Attorney General with 34 votes against him. He was never confirmed to his position as Solicitor General because Republicans had made clear their opposition to him. In addition, in 1993, Republicans objected to a number of State Department nominations and even the nomination of Janet Napolitano to serve as the U.S. Attorney for Arizona, resulting in more cloture petitions. In 1994, Republicans successfully filibustered the nomination of Sam Brown to be an Ambassador. After three cloture petitions were filed, his nomination was returned to President Clinton without Senate action. Also in 1994, two cloture petitions were required to get a vote on the nomination of Derek Shearer to be an Ambassador. And it likewise took two cloture petitions to get a vote on the nomination of Ricki Tigert to chair the FDIC. So when Republican Senators now talk about the Senate Executive Calendar and presidential nominees, they must be reminded that they recently filibustered many, many qualified nominees.

Filibusters should be and are rare. That there are two this year is a direct result of the strategy of confrontation sought by the White House and Senate Republicans. The administration holds the key to ending the Estrada impasse, as it has for the last year. It should cooperate with the Senate and provide access to his work papers, following the example set by all previous Republican and Democratic administrations.

The renomination of Judge Owen was most ill-advised and unprecedented. Her nomination had already been rejected after fair hearings and thorough debate and a committee vote last year. Some apparently want to rewrite the rules so that this President can have every nominee confirmed, no matter how divisive and controversial, by the Republican Senate majority.

Recently, I heard a respected Republican and senior advisor to the majority leader describe cloture as ''the fulcrum on which you balance the rights of the individual and the rights of the institution.'' He explained how important the rights of the minority party are in the Senate and how Senate rules are deliberately constructed to reflect that and protect the minority. That Republicans are now intent on rewriting longstanding Senate rules shows just how partisan and ends-oriented they have become.

The President promised to be a uniter not a divider, but he has continued to send us judicial nominees that divide our nation. He has even managed to divide Hispanics across the country with the nomination of Mr. Estrada. He has managed to outrage disabled individuals by his nomination of Jeffrey Sutton. The nomination and confirmation process begins with the President. I, again, urge him to work with us to identify and nominate qualified, consensus, mainstream nominees who all Americans can be confident will be fair and impartial and to abandon his ideological court packing scheme.

Just yesterday an editorial appeared in the Rutland Herald noting: ''[P]acking the court with right-wing ideologues is a program that Democrats may legitimately question. The Senate is required to consent to the president's judicial nominees because of the checks and balances created by the Constitution to restrain presidential power. The right wing now chafes under that restraint, but [Senators] have every reason to stand firm in order to bring balance to the judiciary.'' I ask unanimous consent that the full editorial be printed in the RECORD.

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

[From the Rutland Herald, May 7, 2003]

A Senate Judiciary subcommittee held a hearing Tuesday to highlight what Republicans claim is an abuse of the Senate rules by Democrats seeking to hold up President Bush's judicial nominees.

The subcommittee hearing was described by one Democratic aide as a ''dog and pony show.'' It is part of the ideological warfare unleashed by the right wing to intimidate and destroy its opposition. The Republicans' complaint abouut Democratic obstructionism with regard to judicial nominees makes a villain out of Sen. Patrick Leahy, but their case is bogus and based on a foundation of hypocrisy.

The Democrats have kindled Republican wrath because the Democrats have had the temerity to block two nominees. Two. In the meantime, the Senate has confirmed 123 Bush nominees. The vacancy rate in the judiciary is at a 13-year low. When the Democrats took control of the Senate in 2001, the Republicans had left open 111 judicial vacancies. Now there are 43.

Members of the judiciary have remarked on how the Bush administration has staffed the Justice Department with fiercely uncompromising ideologues intent, not just on dealing with the opposition, but on destroying it. How else can one account for the war declared by Republicans over two judicial nominees who failed to pass muster?

The subcommittee hearing is ostensibly meant to examine the question of whether the Democrats' use of the filibuster to block judicial nominees is constitutional. The filibuster is a delaying tactic in which one side refuses to end debate on a particular question. According to Senate rules, the Senate can end a filibuster with 60 out of 100 votes. Certainly, the filibuster is anti-majoritarian, but over the years it has been used effectively by both Republicans and Democrats.

Now that the Democrats have shown they are adept at using the filibuster, the Republicans have begun to froth that it is unconstitutional. They are even claiming there is some kind of exception to the filibuster rule for judicial nominees, though it is a claim without any basis in law that the Republicans would quickly abandon as soon as they found themselves in the minority.

It is hard to defend the filibuster as a democratic method. But for the Republicans suddenly to wax indignant about the filibuster now that it has been turned against them is hyppcrisy enough to shock and awe. From 1995 to 2000 Republicans blocked one-third of President Clinton's judicial nominees by a variety of methods that were as anti-majoritarian as the filibuster, including the failure of the Judiciary Committee even to schedule hearings and including the secret hold, by which a senator can block a nominee merely on his or her say-so.

If anger and self-righteousness signify the rightness of one's cause, the Republicans are making a good show of it. But packing the court with right-wing ideologues is a program that Democrats may legitimately question. The Senate is required to consent to the president's judicial nominees because of the checks and balances created by the Constitution to restrain presidential power. The right wing now chafes under that restraint, but Leahy and his allies have every reason to stand firm in order to bring balance to the judiciary.

Mr. LEAHY. The vote is scheduled for what time?

The PRESIDING OFFICER. The time for the vote is 1:45.

Mr. LEAHY. Have we reached that time?

The PRESIDING OFFICER. We have about a minute and a half.

Mr. LEAHY. I can understand the confusion. We seem to have a number of clocks facing different places.

I tell the distinguished occupant of the chair that I have been around here long enough to recall a time when we were going to end at a certain time in a very late session, and the time stood still. We were very close to finishing. I think the time we had to finish was at midnight. I remember the clock getting all the way up there to 3 minutes

to midnight. For the next hour, the clock was there at 3 minutes to midnight. Suddenly we worked out the last thing, the clock magically sprung forward—not totally magically, somebody pulled it forward. We were at midnight and, with a sigh of relief, we went out. Now I believe we are at the time.

I yield the floor.

Mr. HATCH. Mr. President, tomorrow is the 9th of May, which marks the beginning of the third year that the nominations of Miguel Estrada to the DC Circuit and Priscilla Owen to the Fifth Circuit have been sitting in the Senate. This truly is not a good record for the Senate.

On May 9, 2001, the President sent to the Senate 11 nominations, including those of Miguel Estrada and Priscilla Owen. I regret that a minority of Senators in this body continue to deny a final vote on the confirmation of these nominees. It is troubling that we have not yet been able to confirm these nominees who now are facing unprecedented filibusters in the Senate.

Let me again quote a recent editorial, published in the Atlanta Journal-Constitution, which discusses the filibusters of Priscilla Owen and Miguel Estrada, noting ''the first time simultaneous filibusters against judicial nominees have occurred in the U.S. Senate.'' The editorial continues:

Both Owen and Estrada are superbly qualified in every respect. Yet on Owen, those who complain that a ''glass ceiling'' exists for women of achievement are busily constructing one to keep her in her place. And those who complain that the federal bench lacks ''diversity'' find Estrada to be too much diversity for their taste. He is considered to be a conservative, and the interest groups that drive the Democratic Party nationally fear Owen is, too, at least on their abortion litmus test.

The fear with Owen and Estrada is that one or both will be nominated to the U.S. Supreme Court should a vacancy occur. Senate Democrats are determined to keep off the Circuit Court bench any perceived conservative who has the credentials to serve on the U.S. Supreme Court.

As the editorial points out, some Senate Democrats appear willing to use whatever obstructionist tactics it takes, based on any convenient rationale, to defeat the President's nominees. While the rationales may be different, the motivation in both cases is the same—it is to block this Senate from expressing the will of the majority with regard to these nominations.

I have already pointed out the double standard being applied against Miguel Estrada and Priscilla Owen. However, it may be more than a so-called double standard. I am beginning to conclude that no standards are being applied, only political tactics. This game plan of delay and obstructionism that some Democratic Senators are following is no longer surprising, but it is getting somewhat contradictory. In the case of Mr. Estrada, Democrats say they can't vote for the nominee because they don't know enough about him. They allege he didn't answer their questions and therefore they must have Department of Justice confidential memoranda he wrote while he was a line attorney in the Solicitor General's office.

There are no such claims about Justice Owen. Democrat opponents admit they know enough about her, that she did answer the questions, and that she has a record they can review. There are no phony excuses. They simply oppose her on philosophical grounds namely, her interpretation of the Texas parental notification statute that applies to minor girls seeking an abortion.

We hear over and over that Justice Owen is a controversial or extremist nominee. Those seem to be the standard shorthand descriptions of a nominee who doesn't toe the line drawn by the abortion-rights and trial lawyer interest groups.

In truth, Justice Owen is a consensus nominee. A bipartisan majority of the Senate supports her confirmation. The American Bar Association has awarded her a unanimous well qualified rating, their highest rating, and the gold standard formerly used by many of my Democratic colleagues. She is a well educated, highly experienced, and respected jurist.

Now, some critics of Justice Owen have fixated on a few rulings made by Justice Owen in some parental notification cases and allege that she is out of the mainstream on her court or that she is a regular dissenter in such cases. The facts show Justice Owen has been well within the mainstream of her court in the 14 decided notification cases in Texas, joining the majority judgment in 11 of those cases. The fact of the matter is that the liberal interest groups will find any excuse to employ an abortion litmus test, and they have used it with reckless abandon against Justice Owen, but that doesn't change the facts. In fact, we don't even know Justice Owen's views on abortion and it is improper to make assumptions.

Justice Owen has done what a nominee must do—commit to following the law, including Roe v. Wade. And that is all we ask of nominees.

Turning to Mr. Estrada, the real rationale for opposing him has nothing to do with access to confidential Justice Department documents. It has nothing to do with allegations that Mr. Estrada did not answer the questions. But it has everything to do with attempts to prevent a Republican President from appointing the first Hispanic to the DC Circuit.

What the filibusters of Miguel Estrada and Priscilla Owen have in common is that they are preventing well qualified nominees from getting an up or down vote before the full Senate. They are tyranny of the minority at its worst. It is unfortunate that we must have these cloture votes at the end of this 2-year period since the nomination of Mr. Estrada and Justice Owen. There is simply no good reason to continue them. It is long past time for an up or down. I urge my colleagues to vote for cloture.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on Executive Calendar No. 21, the nomination of Miguel A. Estrada to be United States Circuit Judge for the District of Columbia Circuit.

Bill Frist, Orrin Hatch, Judd Gregg, Norm Coleman, John E. Sununu, John Cornyn, Larry E. Craig, Saxby Chambliss, Lisa Murkowski, Jim Talent, Olympia Snowe, Mike DeWine, Michael B. Enzi, Lindsey Graham, Jeff Sessions, Wayne Allard, Mike Capo.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the nomination of Miguel A. Estrada to be United States Circuit Judge for the District of Columbia Circuit shall be brought to a close?

The yeas and nays are required under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. MCCONNELL. I announce that the Senator from Alaska (Ms. MURKOWSKI) is necessarily absent.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

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

The yeas and nays resulted—yeas 54, nays 43, as follows:

[Rollcall Vote No. 143 Ex.]

YEAS—54

Alexander	DeWine	McConnell
Allard	Dole	Miller
Allen	Domenici	Nelson (FL)
Bennett	Ensign	Nelson (NE)
Bond	Enzi	Nickles
Breaux	Fitzgerald	Roberts
Brownback	Frist	Santorum
Bunning	Graham (SC)	Sessions
Burns	Grassley	Shelby
Campbell	Gregg	Smith
Chafee	Hagel	Snowe
Chambliss	Hatch	Specter
Cochran	Hutchison	Stevens
Coleman	Inhofe	Sununu
Collins	Kyl	Talent
Cornyn	Lott	Thomas
Craig	Lugar	Voinovich
Crapo	McCain	Warner

NAYS—43

Akaka	Dorgan	Leahy
Baucus	Durbin	Levin
Bayh	Edwards	Lincoln
Biden	Feingold	Mikulski
Bingaman	Feinstein	Murray
Boxer	Graham (FL)	Pryor
Byrd	Harkin	Reed
Cantwell	Hollings	Reid
Carper	Inouye	Rockefeller
Clinton	Jeffords	Sarbanes
Conrad	Johnson	Schumer
Corzine	Kerry	Stabenow
Daschle	Kohl	Wyden
Dayton	Landrieu	
Dodd	Lautenberg	

NOT VOTING—3

Kennedy	Lieberman	Murkowski

The PRESIDING OFFICER. On this vote, the yeas are 54, the nays are 43.

Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on Executive Calendar No. 86, the nomination of Priscilla R. Owen of Texas to be United States Circuit Judge for the Fifth Circuit.

Bill Frist, Orrin Hatch, John Cornyn, Michael B. Enzi, Jim Talent, Judd Gregg, Jeff Sessions, Wayne Allard, Mike Crapo, Thad Cochran, Mitch McConnell, Susan Collins, Don Nickles, George Allen, Kay Bailey Hutchison, Gordon H. Smith, John Warner.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the nomination of Priscilla Richman Owen to be United States Circuit Judge for the Fifth Circuit shall be brought to a close?

The yeas and nays are required under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. MCCONNELL. I announce that the Senator from Alaska (Ms. MURKOWSKI) is necessarily absent.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

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

The yeas and nays resulted—yeas 52, nay 45, as follows:

[Rollcall Vote No. 144 Ex.]

YEAS—52

Alexander	Dole	Miller
Allard	Domenici	Nelson (NE)
Allen	Ensign	Nickles
Bennett	Enzi	Roberts
Bond	Fitzgerald	Santorum
Brownback	Frist	Sessions
Bunning	Graham (SC)	Shelby
Burns	Grassley	Smith
Campbell	Gregg	Snowe
Chafee	Hagel	Specter
Chambliss	Hatch	Stevens
Cochran	Hutchison	Sununu
Coleman	Inhofe	Talent
Collins	Kyl	Thomas
Cornyn	Lott	Voinovich
Craig	Lugar	Warner
Crapo	McCain	
DeWine	McConnell	

NAYS—45

Akaka	Conrad	Harkin
Baucus	Corzine	Hollings
Bayh	Daschle	Inouye
Biden	Dayton	Jeffords
Bingaman	Dodd	Johnson
Boxer	Dorgan	Kerry
Breaux	Durbin	Kohl
Byrd	Edwards	Landrieu
Cantwell	Feingold	Lautenberg
Carper	Feinstein	Leahy
Clinton	Graham (FL)	Levin
Lincoln	Pryor	Sarbanes
Mikulski	Reed	Schumer
Murray	Reid	Stabenow
Nelson (FL)	Rockefeller	Wyden

NOT VOTING—3

Kennedy	Lieberman	Murkowski

The PRESIDING OFFICER. On this vote the yeas are 52, the nays are 45. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The Senator from Utah.

Mr. HATCH. Mr. President, I ask unanimous consent the Senate now stand in recess until 3:20 p.m.

Mr. CARPER. Reserving the right to object, if the Senator will defer for just a moment? I ask unanimous consent to make a brief statement, maybe 1 minute.

Mr. HATCH. Of course.

VOTE EXPLANATION

The PRESIDING OFFICER. The Senator from Delaware.

Mr. CARPER. Mr. President, early this morning the train I was traveling on from Wilmington to Washington experienced mechanical difficulties causing us to arrive at Union Station more than one-half hour late. As a result, I missed maybe my second or third vote in the U.S. Senate. I missed the vote on the Resolution of Ratification of the NATO expansion treaty. Had I been here I would have voted yes.

I ask unanimous consent the RECORD reflect my reasons for missing the vote and how I would have voted had I been here.

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

RECESS

Mr. HATCH. Mr. President, I renew my request to have the Senate stand in recess until 3:20 p.m.

There being no objection, the Senate, at 2:34 p.m., recessed until 3:20 p.m. and reassembled when called to order by the Presiding Officer (Mr. CRAPO).

The PRESIDING OFFICER. In my capacity as a Senator from the great State of Idaho, I suggest the absence of a quorum. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

FOREIGN INTELLIGENCE SURVEILLANCE ACT—Continued

AMENDMENT NO. 536

(Purpose: To establish additional annual reporting requirements on activities under the Foreign Intelligence Surveillance Act of 1978)

Mr. FEINGOLD. Mr. President, I call up amendment No. 536.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD] proposes an amendment numbered 536.

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

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

The amendment is as follows:

(Purpose: To establish additional annual reporting requirements on activities under the Foreign Intelligence Surveillance Act of 1978)

At the end, add the following:

SEC. 2. ADDITIONAL ANNUAL REPORTING REQUIREMENTS UNDER THE FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978.

(a) ADDITIONAL REPORTING REQUIREMENTS.—The Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.) is amended—

(1) by redesignating—

(A) title VI as title VII; and

(B) section 601 as section 701; and

(2) by inserting after title V the following new title VI:

''TITLE VI—REPORTING REQUIREMENT

''ANNUAL REPORT OF THE ATTORNEY GENERAL

''SEC. 601. (a) In addition to the reports required by sections 107, 108, 306, 406, and 502 in April each year, the Attorney General shall submit to the appropriate committees of Congress each year a report setting forth with respect to the one-year period ending on the date of such report—

''(1) the aggregate number of non-United States persons targeted for orders issued under this Act, including a break-down of those targeted for—

''(A) electronic surveillance under section 105;

''(B) physical searches under section 304;

''(C) pen registers under section 402; and

''(D) access to records under section 501;

''(2) the number of individuals covered by an order issued under this Act who were determined pursuant to activities authorized by this Act to have acted wholly alone in the activities covered by such order;

''(3) the number of times that the Attorney General has authorized that information obtained under this Act may be used in a criminal proceeding or any information derived therefrom may be used in a criminal proceeding; and

''(4) in a manner consistent with the protection of the national security of the United States—

''(A) the portions of the documents and applications filed with the courts established under section 103 that include significant construction or interpretation of the provisions of this Act, not including the facts of any particular matter, which may be redacted;

''(B) the portions of the opinions and orders of the courts established under section 103 that include significant construction or interpretation of the provisions of this Act, not including the facts of any particular matter, which may be redacted.

''(b) The first report under this section shall be submitted not later than six months after the date of the enactment of this Act. Subsequent reports under this section shall be submitted annually thereafter.

''(c) In this section, the term 'appropriate committees of Congress' means—

''(1) the Select Committee on Intelligence and the Committee on the Judiciary of the Senate; and

''(2) the Permanent Select Committee on Intelligence and the Committee on the Judiciary of the House of Representatives.''.

(b) CLERICAL AMENDMENT.—The table of contents for that Act is amended by striking the items relating to title VI and inserting the following new items:

''TITLE VI—REPORTING REQUIREMENT

''Sec. 601. Annual report of the Attorney General.

''TITLE VII—EFFECTIVE DATE

''Sec. 701. Effective date.''.

Mr. FEINGOLD. Mr. President, this amendment would simply require the Department of Justice to report to the Intelligence Committee and the Judiciary Committee about the use of this new lone-wolf exception to FISA. With this information, Congress will be better able to assess the need for reauthorization as the sunset provision in the bill approaches. I am pleased that the amendment has been agreed to by the sponsors of the bill.

I ask unanimous consent that this amendment be agreed to under the previous order.

The PRESIDING OFFICER. Under the previous order, the amendment is agreed to.

The amendment (No. 536) was agreed to.

Mr. FEINGOLD. Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, this morning I noted in detail the provisions of this amendment, why I supported the amendment and why I thought it was a good thing, and therefore any reference to further discussion on it can be made to the comments I made on it this morning.

Mr. FEINGOLD. Mr. President, I thank the Senator from Arizona for his cooperation in working together to provide this measure of accountability to this important piece of legislation.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 537

(Purpose: To propose a substitute)

Mrs. FEINSTEIN. Mr. President, I call up amendment No. 537.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California [Mrs. FEINSTEIN], for herself and Mr. ROCKEFELLER, Mr. LEAHY, Mr. EDWARDS, Mr. FEINGOLD, Mr. DODD, Mr. WYDEN, and Mrs. BOXER, proposes an amendment numbered 537.

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

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

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. PRESUMPTION THAT CERTAIN NON-UNITED STATES PERSONS ENGAGING IN INTERNATIONAL TERRORISM ARE AGENTS OF FOREIGN POWERS FOR PURPOSES OF THE FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978.

(a) PRESUMPTION.—(1) The Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.) is amended by inserting after section 101 the following new section:

''PRESUMPTION OF TREATMENT OF CERTAIN NON-UNITED STATES PERSONS ENGAGED IN INTERNATIONAL TERRORISM AS AGENTS OF FOREIGN POWERS

''SEC. 101A. Upon application by the Federal official applying for an order under this Act, the court may presume that a non-United States person who is knowingly engaged in sabotage or international terrorism, or activities that are in preparation therefor, is an agent of a foreign power under section 101(b)(2)(C).''.

(2) The table of contents for that Act is amended by inserting after the item relating to section 101 the following new item:

''Sec. 101A. Presumption of treatment of certain non-United States persons engaged in international terrorism as agents of foreign powers.''.

(b) SUNSET.—The amendments made by subsection (a) shall be subject to the sunset provision in section 224 of the USA PATRIOT Act of 2001 (Public Law 107–56; 115 Stat. 295), including the exception provided in subsection (b) of such section 224.

Mrs. FEINSTEIN. Mr. President, I rise to offer a substitute amendment to S. 113, the Kyl-Schumer FISA bill. I ask you to bear with me because the explanation goes on for a while.

I am also pleased that Senator ROCKEFELLER, the ranking member on the Intelligence Committee, and Senator LEAHY, the ranking member of the Judiciary Committee, are cosponsors of this amendment. I am pleased to also acknowledge that Senators DODD, EDWARDS, FEINGOLD, BOXER, and WYDEN are also cosponsors of the amendment.

Let me try to briefly describe the difference between current law, S. 113, and my amendment.

S. 113 is the Kyl-Schumer FISA amendment. First, the Kyl-Schumer amendment only applies to non-U.S. persons. I want to make clear that it does not cover green card holders under that amendment.

Under current law, the FISA court may only grant a FISA application against a non-U.S. person if the Government can show probable cause that the target is working on behalf of a foreign power or a terrorist group. The Government also has to certify that it is seeking foreign intelligence information that can't be obtained by any other means.

As I understand the Kyl-Schumer bill, it drops a primary requirement for FISA warrants; that is, the individual or the target be agents of a foreign power. Under Kyl-Schumer, this prerequisite is gone. That is what the so-called lone wolf deals with.

This would then give the FISA court no discretion to deny applications for FISA orders against a true so-called lone wolf. These are alleged international terrorists operating completely on their own. This is confusing. In other words, current law gives the FISA court no discretion to grant FISA orders in closed cases. But S. 113—Kyl-Schumer—gives judges no discretion to deny FISA the FISA court application in closed cases. Both of these circumstances raise certain problems.

My amendment is essentially a compromise. It grants the court a presumption. So the FISA court may presume that a target is an agent of a foreign power, or the court may choose not to invoke that presumption. The bottom line is the court is given some discretion.

In other words, the court may choose to grant a FISA order despite a lack of evidence that a target is working on behalf of a foreign power. Similarly, the court may choose to deny an order against a true lone wolf. It is up to the court.Federal judges in title III criminal cases have similar discretion. Although the standard there is about whether the Government can show probable cause that a person has committed a crime or will commit a crime, that is a very different standard than under FISA. Federal judges have not abused that discretion and, in fact, in rare cases have been able to act as a check on the Government to prevent overreaching and abuse.

Why do the sponsors of S. 113 show less trust for FISA judges in the FISA content? In fact, such trust is even more warranted in the FISA content. Not only is the FISA process secret and hard to keep accountable, but the FISA court has only denied one FISA application in its 25-year history.

Such a lack of trust is even less necessary given the fact that even if the Government is unable to get a FISA order against a target, it remains completely free to use all the tools of the criminal process under title III to get search and wiretap orders against the target.

The bottom line is, our amendment preserves FISA's agent-of-a-foreign-power requirement without jeopardizing our security. Our amendment allows the Government to get FISA orders against suspected international terrorists even in close cases where the Government cannot show the target is working on behalf of a foreign power or terrorist group. However, unlike S. 113, the amendment also ensures the FISA court is more than a rubberstamp and has discretion to deny a FISA application if the Government overreaches by attempting to use FISA authority.

I now would like to discuss the issue in somewhat greater detail.

Mr. President, at times of crisis, it is possible the Government can overreach in both legislative and executive decisionmaking with respect to our criminal and intelligence laws. That can have unfortunate consequences for both our security and individual rights.

The Foreign Intelligence Surveillance Act, or FISA, was passed in 1978. It was the first statute ever passed in

the United States to provide a statutory procedure for the authorization of clandestine activities of our Government to obtain foreign intelligence.

Before it passed, then-Attorney General Griffin Bell testified in favor of the bill before Congress. He noted the ''delicate balance'' that needed to be struck between ''adequate intelligence to guarantee our Nation's security on the one hand and preservation of basic human rights on the other.''

He stated:

In my view this bill strikes the balance, sacrifices neither our security nor our civil liberties, and assures that the abuses of the past will remain in the past. . . .

Now, what does he mean by ''abuses of the past''? Decades earlier, America saw what happened in World War II with Japanese Americans who were removed from their homes, their businesses, and their schools, and placed in interment camps in violation of their rights. We do not want that to happen ever again in this country.

I am not saying this is an identically similar situation. I am concerned, however, about zealousness and overreach because now we are engaged in a global war on terror. In conducting this war, we must be careful that we not overreach when the temptations are so great.

This kind of war is unprecedented for the United States. It is unprecedented and unbelievable that anybody could fly four big planes, three into buildings, and kill 3,000 people. This is beyond our ken. America and Americans want to protect our homeland and our individuals, notwithstanding this is an entirely secret process and, as such, the laws that govern it must be balanced, must be carefully crafted, and must prevent it, lest someone use them to overreach. It has happened in the past, so you can assume it could well happen in the future. This is especially true, as I said, with FISA.

I supported reporting S. 113, the Kyl-Schumer FISA bill we are debating, in the Judiciary Committee. I agree with my colleagues—there is a clear problem here, needing a solution; namely, the potential difficulty the Government may have in obtaining FISA orders against certain international terrorist so-called ''lone wolves.'' These are people who have no affiliation with a terrorist group, no affiliation as an agent of a foreign power.

Under FISA, a ''foreign power'' is simply defined as ''two people conspiring,'' so it is a very easy goal and target. A problem arises in cases where the Government knows of a foreign individual who may be involved in terrorism but cannot yet prove a connection to foreign groups or governments. This problem stems from the proof requirement under FISA in current law.

To get a FISA order against a foreign visitor to the United States under current law, the Government needs to show two key things:

First, that the individual is a foreign power or an agent of a foreign power. Again, that is defined as two people working together. A foreign power could be a foreign government or an international terrorist group as defined.

And second, that it is seeking ''foreign intelligence information'' that cannot be obtained by other means.

This symbolizes the very purpose of FISA: to gather foreign intelligence. Criminal courts are for criminal cases, and the FISA court was set up specially to deal with cases where the Government wishes to obtain information or intelligence about the activities of foreign powers.

The problem is this: Under this current standard, it may well be difficult for the Government to meet the foreign power requirement if the Government does not yet have enough evidence of a connection to a foreign group, entity, or power. Some have described this problem as the ''false lone wolf'' problem, where you have an individual who may appear at first to be operating as a ''lone wolf,'' even though that individual is really an agent of a larger group.

That was one of the alleged problems with the pre-September 11 investigation into Zacarias Moussaoui. The FBI did not learn until after September 11 that Moussaoui had links to al-Qaida and may have been the intended 20th hijacker.

As a result, the Government may have been reluctant to request a FISA warrant because they did not think the intelligence they had could connect Moussaoui to an international group or government.

So there is no question in my mind that we need to amend FISA to fix this problem. And I applaud my colleagues, Senators KYL and SCHUMER, for working so diligently to solve it. But the Kyl-Schumer bill also redefines ''agent of a foreign power'' to include any non-U.S. individual preparing to engage in international terrorism. In other words, it essentially eliminates the foreign power requirement altogether.

This change would allow the Government to get a FISA search or wiretap order against any foreign individual in the United States who is preparing to engage in international terrorism, regardless of whether the person is really an agent of a foreign government or terror group, and regardless of whether there is any potential to gather foreign intelligence.

Again, it is this foreign intelligence component that defines the very purpose of FISA. As a result, I believe this change goes too far.

Under S. 113, for the first time ever, the Government will be able to use FISA against any non-U.S. citizen preparing to engage in international terrorism—even individuals whom the Government knows have no connection at all to anyone else engaged in international terrorism.

There would be no check at all on the Government's use of FISA against many common criminals who just happen to be noncitizens and, therefore, the Government might be able to use this secret FISA court to obtain warrants that: (A) are easier to get; (B) last longer; and (C) are less subject to normal judicial scrutiny than criminal warrants under title III or regular criminal statutes.

FISA wiretap orders, for instance, are good for 4 times longer than normal criminal warrants—120 days versus 30 days—giving the Government a clear incentive to use this process even against common criminals. These orders can be reauthorized indefinitely each year for 1-year periods. The same is true for physical search orders under FISA, although these are good for 90 days, and 1-year extensions are subject to the requirement in current law that the judge find ''probable cause to believe that no property of any United States person will be acquired during the period.''

Under FISA, as modified by S. 113, the Government must show by probable cause only that a foreign national is engaged in international terrorism or preparation thereof. You might listen to that and you might think: What is wrong with that? We all want that. I want it, too. But in many instances, this probable cause standard will be easier to meet than the traditional criminal probable cause standard.

For example, for a title III wiretap, the Government must show that there is probable cause to believe an individual is about to commit or has committed an enumerated crime. To get a search order, the Government must show probable cause that the search will result in the discovery of offending items connected with the criminal activity. However, under S. 113, the Government need only show probable cause that the person is engaging in ''activities in preparation'' for international terrorism. Many ''activities in preparation'' for international terrorism are not crimes.

For example, a foreign visitor who bought a one-way airline ticket and a box cutter would arguably qualify as a person engaging in activities in preparation for international terrorism, even in the absence of other evidence that he or she might be an international terrorist.

However, these two activities, taken alone, would clearly not demonstrate probable cause that the person would commit a crime. These activities may be entirely innocent. As a result—and I don't believe this is anyone's intent—S. 113 could easily serve as a clarion call to all aggressive prosecutors who want to listen in on or search the homes of targets of investigation without ever having to prove that any crime may be committed or that foreign intelligence may be gathered.

By allowing FISA to be used against all solo suspected international terrorists, S. 113 runs counter to the whole purpose of FISA, which is to allow the Government to get foreign intelligence by searching and wiretapping people

working for other countries and groups against U.S. interests.

S. 113 essentially eliminates any discretion the FISA court has to turn down a case—this is my big problem with it—thus enabling the Government to overreach. I am not saying that it will overreach. But because it is a secret process, the laws we pass have to prevent that overreach.

By nullifying the requirement that the target of an investigation has some connection, any connection, to a foreign entity or government, this legislation essentially makes the FISA court a rubberstamp. The court will be required to grant a FISA order, even if there is no probable cause to indicate a connection to a foreign power; indeed, even if there is clear evidence that the individual is operating completely on their own. In fact, even if the Government admits that the terrorist is operating alone and that there is no foreign intelligence to be gathered, the FISA court must still grant the order under S. 113.

That is not what FISA is meant to be. Put simply: The legislation goes too far.

Let me be clear: We who are sponsoring this amendment are not trying to protect international terrorists, and our amendment does nothing to protect them. The vast resources of the Federal Government and the powerful tools of the criminal process remain available to target and investigate any terrorist against whom the Government is unable to get a FISA order.

What our amendment will do is retain the original purpose of FISA—the seeking of foreign intelligence. S. 113 would not.

Our amendment is simple. Rather than simply eliminating the foreign power requirement altogether, our amendment would allow the FISA court judge to presume that a foreign terrorist is also an agent of a foreign power, even if there is no evidence supporting that presumption. On the other hand, under our amendment, the FISA court could also refuse to presume this connection in troubling cases of Government overreach. Thus, a FISA court judge would have some discretion.

What does this mean? In the Moussaoui case, for instance, even though the Government did not yet have evidence that Moussaoui was acting as an agent of a foreign power, both our amendment and S. 113 would allow the Government to get a warrant. The only difference is that our amendment would allow the judge to carefully look at the case and, if the court determined Moussaoui was clearly acting alone, the warrant could be denied.

I know some will argue that this casts too much doubt upon the outcome of cases and that, as a result, FISA orders will be too hard to obtain. But in most cases, if you think about it, the outcome will be exactly the same, whether under our amendment or the underlying bill.

Others may argue that this amendment might give liberal judges too much power to deny FISA orders in every case or, as Senator SCHUMER put it today, ''inject gray into the statute.'' But in reality, I believe these judges should have some discretion. This is an entirely secret process. By providing this presumption, we give judges that discretion. That is, in fact, a good thing.

Liberal judges can always find ways to deny a FISA order, even under S. 113, if they are determined to do so. For instance, a judge could simply decide there is no probable cause showing that an individual is engaged in international terrorism. That is a requirement in both S. 113 and our amendment.

The bottom line is that we can and should preserve the foreign power requirement of FISA without jeopardizing our security. Under either approach, the Government will be able to get FISA orders against international terrorists, even if the Government cannot meet the foreign power requirement.

Bottom line, again: The only difference between the two approaches is that our amendment preserves some limited discretion so the FISA court could stop the Government from overreaching against those individuals who have no connection to a foreign conspiracy. Let me say, if they have no connection to a foreign conspiracy, you can get the title III criminal warrant.

I urge my colleagues to support the amendment and, therefore, support the underlying purposes of FISA.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mrs. FEINSTEIN. I yield such time as the Senator from Vermont, the ranking member of the Judiciary Committee, requires.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, I thank the distinguished Senator. I will not speak long.

In times of national stress there is an understandable impulse for the government to ask for more power. Sometimes more power is needed, but sometimes it is not.

After the September 11 attacks, we worked together in a bipartisan fashion and with unprecedented speed to craft and enact the USA PATRIOT Act, which enhanced the government's surveillance powers.

Now, as we consider S. 113—and we anticipate a possible sequel to the USA PATRIOT Act—it is vital for us first to examine and understand how Federal agencies are using the power that they already have. We must answer two questions: First, is that power being used effectively? Our citizens want not only to feel safer, but to be safer. They need results, not rhetoric.

Second, is that power being used appropriately, so that our liberties are not sacrificed, the openness of our society and our government are preserved, and our tax dollars are not squandered?

Unfortunately, the FBI and the Department of Justice have either been unwilling or unable to help us to answer these basic questions. Moreover, the information that we have gleaned on our own through our bipartisan oversight efforts has not inspired confidence.

In February, Chairman GRASSLEY, Chairman SPECTER and I released a detailed report based on the oversight that the Judiciary Committee conducted in the 107th Congress. That report distilled our bipartisan findings and conclusions from numerous hearings, classified briefings and other oversight activities. Our oversight demonstrated the pressing need for reform of the FBI. In particular, it focused on the FBI's failures in implementing what is already in FISA.

The administration's response to our bipartisan oversight report has been to dismiss it as ''old news'' relating to problems that are all already fixed. In short, ''everything is fine'' at the FBI and they plan to do nothing to respond to the systemic criticisms in the Specter, Grassley, Leahy report. Predictably, however, Congress is asked yet again to expand the FISA statute.

The bill that we are considering, S.113, adopts a ''quick fix'' approach. With slick names like the ''Moussaoui fix,'' and the ''lone wolf'' bill, it is aimed at making Americans feel safer, but it does nothing to address the problems that actually plague our intelligence gatherers. It does nothing to fix the real problems that plagued the FBI before 9/11 and that continue at the FBI.

In private briefings, even FBI representatives have stated that they do not need this change in the law in order to protect against terrorism. They are getting all the warrants they want under the current law.

Sunset provisions, such as the one I helped add during the Judiciary Committee markup, allow us to adopt such measures as S. 113 on a temporary basis. The reporting requirement that is being added to the bill on the floor is another welcome improvement, which will help us to ascertain whether this surveillance tool is working properly or not. The reporting requirement is similar to those proposed in a bill I introduced with Senators GRASSLEY and SPECTER—S. 436, the Domestic Surveillance Oversight Act.

While there is little evidence that this bill is necessary, it does create significant problems. First, it tears FISA from one of its most basic moorings. FISA was intended to assist in gathering intelligence about foreign powers and their agents. The Kyl-Schumer proposal would simply read that requirement out of the law for a whole class of FISA cases.

As introduced, the bill essentially said that a ''person'' is now a ''foreign power,'' which makes little sense as a matter of logic or policy. As reported by the Judiciary Committee, the bill's wording makes more sense, but the fundamental policy problem remains.

Second, in the rare case of a true ''lone wolf,'' our federal law enforcement agents already have potent tools at their disposal, including the title III wiretap, the rule 41 search warrant, and the grand jury subpoena. These provide ample means to combat isolated criminal acts, but with more accountability and judicial supervision than the FISA surveillance authorities.

Far from addressing a true problem, then, all that S.113 would do is encourage the use of the secret, unchecked FISA process for an entire class of cases that are more appropriately handled as criminal matters.

To the extent that some believe that there is a problem that needs to be addressed, I support the more measured and practical approach that Senator FEINSTEIN developed, and that I was pleased to cosponsor. The Feinstein approach is to create a statutory presumption to assist the FBI in terrorism cases.

Using this approach, when the government shows probable cause to believe that a non-U.S. person is engaging in international terrorism, the FISA Court may presume that the person is also an agent of a foreign power. This permissive presumption would allow law enforcement some extra leeway in international terrorism cases, but without simply removing the foreign power nexus from a huge class of FISA matters altogether.

I commend Senator FEINSTEIN for her work on this amendment. I believe it is a constructive and reasonable compromise. It would give the FBI what it claims to need as a practical matter, to ensure that it can use FISA against individuals like Zacarias Moussaoui, whose ties to a foreign power may be difficult to prove.

At the same time, the amendment would preserve some discretion on the part of the FISA court to determine that an individual should not be subject to surveillance because he is not, in fact, an agent of a foreign power. The FISA court should not become an automatic adjunct of the executive branch. That would destroy the checks and balances that keep us all free. Let's make sure they have the ability to act as a court.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. FEINGOLD. Mr. President, I ask the Senator from California to yield me some time so I can speak in support of the amendment.

Mrs. FEINSTEIN. I am happy to yield as much time as the Senator requires.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, I agree with the Senator from California that S. 113 is the wrong way to fix the Foreign Intelligence Surveillance Act. The approach taken in S. 113 would eliminate the current requirement in FISA that the individual who is the target of a warrant must be an agent of a foreign power. This means that S. 113 may very well result in FISA serving as a substitute for some of the most important criminal laws we have in this country. Senator FEINSTEIN's permissive presumption amendment would allow the Government to obtain FISA warrants against suspected lone wolf international terrorists without unnecessarily eliminating an essential element of FISA, and that is the agent of a foreign power requirement.

FISA, as the Senator from California has very carefully and effectively pointed out, represents an important exception to traditional constitutional restraints on criminal investigations, allowing the Government to gather foreign intelligence information without having probable cause that a crime has been or is going to be committed. I will repeat that. This is something the Government can do without having probable cause that a crime has been or is going to be committed. That is a major exception to our normal understanding about how criminal proceedings should be conducted under our Constitution. The courts have permitted the Government to proceed with surveillance in this country under FISA's lesser standard of suspicion because the power is limited to investigations of foreign powers and their agents.

Senator FEINSTEIN ably pointed out the history behind this and the careful balance that Attorney General Griffin Bell discussed at the time, and how important that balance was for such an unusual exception to be made to our rules about criminal proceedings.

S. 113 writes out of the statute a key requirement necessary to the lawfulness of intrusive surveillance powers that would otherwise simply be unconstitutional.

FISA's own appellate court, the Foreign Intelligence Surveillance Court of Review, discussed in a November 2002 decision why a FISA warrant does not require a showing of probable cause of criminal activity. The court stated that FISA is constitutional in part because it provides ''another safeguard . . . that is, the requirement that there be probable cause to believe the target is acting 'for or on behalf of a foreign power.''' So this is supposed to be about people acting in connection with a foreign power. S. 113, as currently drafted, simply eliminates that safeguard.

Even if S. 113 survived constitutional challenge, it would mean that non-U.S. persons could have either electronic surveillance and searches authorized against them using the lesser standards of FISA, even though there is no conceivable foreign intelligence aspect to their case. S. 113 will then likely result in a dramatic increase in the use of FISA warrants in situations that do not justify such extraordinary Government power.

I think Senator FEINSTEIN's amendment is a thoughtful and reasonable alternative to make sure that FISA can be used against a lone wolf terrorist, which I commend the Senator from Arizona and the Senator from New York for trying to address. But at the same time her amendment means we can do this without eliminating the important agent of a foreign power requirement. The amendment would create a permissive presumption that if there is probable cause to believe a non-U.S. person is engaged in or preparing to engage in international terrorism, the individual can be considered to be an agent of a foreign power even if the evidence of a connection to a foreign power is not clear. The use of a permissive presumption, rather than eliminating the foreign power requirement, maintains judicial oversight and review on a case-by-case basis on the question of whether the target of the surveillance is an agent of a foreign power. The permissive presumption would permit the FISA judge to decide, in a given case, if the Government has gone too far in requesting a FISA warrant.

I want to be clear about one point that apparently came up this morning. I understand the Senator from Arizona argued this morning that this amendment would weaken or impact on the FISA law as a whole. That is just not true. This amendment applies only to the changes made in the bill to address the lone wolf problem. It is a narrow, carefully drafted, very important amendment to this bill.

Any concern that the FISA judges would not use their discretion wisely is, I think—as the Senator from California pointed out—misplaced. What is the reason for any concern whatsoever about the proper use of this provision by judges? In the 23 years that the FISA court has been reviewing FISA applications, they have only declined to issue the warrant on one occasion. In that case, the decision of the court was reversed on appeal. The FISA judges clearly take their responsibility seriously and execute it carefully. The experience of the last two decades shows we can trust them not to the deny FISA applications too hastily. We should also be able to trust them enough to maintain their power to serve as a reasonable check on Government overreaching.

We are told that one of the inspirations for this bill was the case of Zacarias Moussaoui, the alleged 20th hijacker. One of the FBI's excuses for not seeking a warrant to search Mr. Moussaoui's computer prior to September 11 was that they could not identify a foreign power or group with which Moussaoui was associated. In other words, they could not meet the agent of a foreign power requirement to get a FISA warrant. In the case of Moussaoui, a warrant application was never even submitted to the FISA court.

As Senator SPECTER pointed out, many legal observers think the FBI simply misread the law, and it could and should have obtained a FISA warrant against Mr. Moussaoui if it had tried.

No matter, in any event, Senator FEINSTEIN's amendment would fix the so-called Moussaoui problem just as well as the current bill. The permissive presumption would still ensure that future investigators do not need to show specific evidence of a particular foreign power or group for which the individual was an agent if they have other good evidence that the subject is preparing to engage in international terrorism, as they did in Moussaoui's case, but have not been able to identify the specific agent of a foreign power.

At the same time, Senator FEINSTEIN's formulation would put some limit on the Government's ability to use this new power to dramatically extend FISA's reach. If the Government comes to a conclusion that an individual is truly acting on his or her own, then our criminal laws concerning when electronic surveillance and searches can be used, in my view, and I think in the view of many, are more than sufficient. True lone wolves can and should be investigated and prosecuted in our criminal justice system.

Under this amendment, the FISA court could presume that any non-U.S. person preparing to engage in international terrorism is an agent of a foreign power. At the time of the initial warrant application, and perhaps even later, this presumption makes sense. It is somewhat difficult to envision a foreigner in the United States planning an international terrorist attack who is not an agent of a foreign power, which includes a terrorist organization. But one can envision a situation where, at the time of a request for a reauthorization, a FISA warrant is made, the Government has now determined that the suspect is truly a lone wolf.

In those situations where the person is simply a lone wolf in every sense of the word and is not connected with a foreign power or terrorist organization, FISA should not apply. The Government should then use all the tools of the criminal process because—and this is the key issue—in that circumstance, the foreign intelligence rationale, the entire basis for the creation of a FISA law, that entire rationale for FISA's lesser standard no longer exists.

Senator FEINSTEIN's amendment retains FISA's agent of a foreign power requirement, maintains the independence of the FISA court, and preserves judicial oversight of the abuse of the new power. It protects national security by addressing the lone wolf problem, and it does not threaten the constitutional freedoms we cherish.

I am grateful to the Senator from California for her leadership role on this important amendment. I strongly urge my colleagues to support this reasonable amendment that will simply make this a much better bill and, frankly, a bill that would cause many of us to feel comfortable supporting the bill.

I urge my colleagues who are proponents of this bill to consider how important it is that we have as many Senators as possible support such a bill. This goes right to the heart of the question of whether in times of crisis this Nation is going to get the balance right between civil liberties and our Constitution and the important paramount issue of fighting terrorism. We need as many people supporting this to send a message to the American people that we are getting this right. The Feinstein amendment is a reasonable, modest attempt to achieve that kind of consensus. I urge my colleagues to support it.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER (Mr. SUNUNU). The Senator from New York.

Mr. SCHUMER. I thank the Chair.

Mr. President, I rise in reluctant, but considered, opposition to the amendment of my good friend from California. I thank her and the Senator from Wisconsin for their roles in this area. My colleague from California and I usually share many of the same views on law enforcement issues, and we work closely together. I say usually, it is the other way around. I am on one side, and she is trying to put together the compromise. Now she is trying to put another compromise together. I respect her for that.

I say to the Senator from California and the Senator from Wisconsin, who is a devout believer in the freedom and liberty this country cherishes and a constant watchdog on our committee, I have great respect for both of them. This is a good debate because in our brave new post-9/11 world, we have to balance liberty and security and, obviously, some adjustments have to be made.

The Founding Fathers knew that in times of war, in times of crisis, security might gain a little. I do not think this is an issue of security versus liberty, though. I do think it is an issue of the new technologies that are available and allows individuals or small groups of individuals unknown before to do real damage to America. Then 10 years ago, you knew who was going to hurt you. It would be a nation. It would be an established group of terrorists. But today, any small group can pop up, even individuals, and do such damage. That is what has caused the Senator from Arizona and I to change the law.

I think the Feinstein amendment is well-intentioned, and honestly it recalibrates the balance in a little different way than I would. This is what the debate is about. My guess is, if Washington, Jefferson, or Madison were looking down on the Senate Chamber, they would want us to have this debate. It is a good thing we are having this debate. I appreciate it.

I am going to be brief. I know we want to deal with this amendment.

My objection to the amendment of the Senator from California is that it does leave discretion in the hands of the judge—the very purpose of the amendment. I do not think there ought to be discretion when there is probable cause that some individual or small group, whether they can be connected to a terrorist group, a known terrorist group, a terrorist organization or not—I do not think there should be discretion in getting that FISA warrant. Obviously, the judge will have discretion, so to speak, in determining if probable cause is there. So this is hardly a straitjacket, even the amendment we have proposed.

If the judge does not find probable cause to engage or prepare to engage in terrorist activity, there is not going to be a warrant.

The other point I want to stress, of course, and this matters to me—I know some in the civil liberties community say everyone who is dealing with American law should have the same rights. This does not affect citizens or those who hold green cards. I think it strikes a fair balance. The idea of giving the judge discretion, the so-called permissive presumption, in my judgment, goes too far.

One of the problems we had with the Moussaoui case was that the FBI was unsure that they could seek a warrant. They did not think the law allowed them to seek a warrant. That is what brought up our amendment.

With the Feinstein amendment, they would still not have that certainty. You also might get in the very same case a judge in California ruling one way and a judge in New York ruling another way. I do not think we want confusion, differing opinions, judicial discretion when clearly probable cause is met.

I realize that my good friend from California seeks an ability to check on the abuse of FISA. I agree with her. I argue this is the wrong way to do it. Again, if probable cause is established, it should not matter if it is a lone wolf or a known terrorist group or a known terrorist organization. To have different judges come to different conclusions about that I do not think helps move our law, move our safety, or, for that matter, further protect our liberties.

I urge my colleagues to vote against this amendment. It is well intentioned. It does seek to understand the balance between liberty and security, but it would do it in a way that I think is not advised, particularly in our post-9/11 world. I urge my colleagues to vote down the amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, first let me address Senator FEINGOLD. He is correct about the misstatement I made this morning. I do recall making this statement that the Feinstein amendment would apply generally to the section of law rather than just S. 113. The Senator from Wisconsin is correct. What I said was in error. It does not detract from my primary argument, but that is correct, and I appreciate him pointing that out.

I wish to respond to the three primary arguments we have heard. First

of all, Senator LEAHY primarily was making the point that we should see if the Patriot Act is working before we make the changes that Senator SCHUMER and I and others are trying to make.

First, I note that the vote in the Judiciary Committee was 16 to 0. It was unanimous. I appreciate the bipartisan support from people such as Senator LEAHY and would note that we have had that kind of bipartisan support from the very day that Senator—in fact, 2 years ago it was Schumer-Kyl, now it is Kyl-Schumer, for obvious reasons.

Secondly, this has nothing to do with the PATRIOT Act. The FISA law was put into effect in 1978, I believe it was. So this is a law that has been in effect for a long time. The problem with it is that a significant change has occurred on the international stage. As has been pointed out, the law was originally intended to deal with Soviet spies, foreign powers, or international terrorist organizations such as the Red Brigade, the Baader-Meinhof gang and people like that.

In that day, it was a tight-knit group of people who actually worked as a terrorist organization. But today, as the testimony before the Intelligence Committee went into in detail, it is now a worldwide Islamic jihadist movement. It is about a cause rather than an organization.

The FBI Director, whose testimony I read this morning, went into a great deal about how, therefore, the people who work in this international cause are very different from the old members of the gangs or the Soviet spy network, and to try to pigeon hole a FISA warrant against these individual people into the provisions of the law as it was originally drafted is really not possible. That is why the FBI would not go after a warrant for Zacarias Moussaoui. It is why Agent Rowley was very upset about it. But at the end of the day, headquarters was probably right not to try to make out the case that Zacarias Moussaoui was somehow connected to an international terrorist organization. They found some tenuous connections with some Chechen rebels but at the stage that the warrant was corrected they could never tie it into an international terrorist organization. We now know subsequent to the issuance of the warrant that there were some ties to al-Qaida, but he may be a good example of the lone-wolf terrorist.

So that is why times have changed. The law has to change to keep up with this. Otherwise, we would not be suggesting this rather modest change in the law.

The people against whom we are now directing our surveillance with respect to international terrorism are a very different group of people. Much of the time they do not act in concert and sometimes they enact as lone wolves.

That gets me to the next point. As I understand it, Senator FEINGOLD's primary argument is that we should have this kind of surveillance against agents of foreign powers, but that we should not have it against lone wolves. Of course, the Feinstein amendment provides a presumption that the lone wolf is an agent of a foreign power.

That is not our point. We are not trying to prove the lone wolf is an agent of a foreign power. I do not want to have a presumption in there that presumes something that we are not even alleging. Sometimes our U.S. Government is going to say, we do not have any reason to believe this person is connected to an international terrorist organization or a foreign power, country. We are not alleging that. We are alleging that he is a person engaged in or about to engage in a terrorist action, we have probable cause to believe that. That standard remains the same and, therefore, we want to, what, prosecute him? No, get a warrant to see what else he is doing.

So this amendment does not match up with what we are trying to do. We are not trying to prove that they are agents of a foreign power. We are providing the court with evidence that a non-U.S. person is engaging in or about to engage in activities involving terrorism against the United States and, therefore, the court is warranted in allowing us to investigate it further. We do not want the presumption because in many cases that is not what we are trying to prove.

The important point is a point I would like to make in response to Senator FEINGOLD and that is that there still has to be international terrorism involved. It is not as if we are going after people because we do not like their nationality or something of that sort. We are dealing with a very sophisticated court that is not a kangaroo court; it is the FISA court, and they have not turned down warrants because the Justice Department has been very careful to make sure they have all the evidence that is needed.

I will tell my great friend Senator FEINSTEIN and just make a footnote—I said it this morning but I will say it again—I cannot remember a time that she and I disagreed on a matter involving intelligence or law enforcement activities. It just does not happen except this one time. I guess the exception proves the rule. There is nobody in the Senate with whom I have enjoyed working more on these matters. Witness the fact that Senator FEINSTEIN and I have been the chairman and ranking member alternately of the Terrorism, Technology, and Homeland Security Subcommittee of the Judiciary Committee ever since I came to the Senate. It has been a wonderful relationship, and there is nobody in this body that I admire more.

So I want to answer this question very specifically, because if I understood one of her arguments, it was that we have changed the probable cause standard, and we have absolutely not done that. In fact, in response, I think to a suggestion of one of our Democratic colleagues, we had the language exactly tracked in the statute, and I will read it precisely. This is in 50 United States Code, section 1801, the definitions section under foreign power. I will not read the whole thing, but No. 4 is ''a group engaged in international terrorism or activities in preparation therefor.''

Then, under ''agent of foreign power''—and, remember, this is where we have the definition of a non-U.S. person. We had the third category. We tracked the language precisely—''engages in international terrorism or activities in preparation therefor.'' It is the exact same language.

So the probable cause standard remains identical. In very simple terms, this is what the U.S. attorney would have to say: Judge, here is my affidavit and what it says is that Joe Blow is a non-U.S. citizen. Here is the documentation for that, and here are the activities that we have probable cause to believe he is engaging in.

So it is the probable cause standard. What would satisfy that test? Let me be very precise in the order that I present this.

Under this section of definitions—and our bill is the same as S. 2568, which the Justice Department was referring to when it made this comment, someone who is involved in terrorist acts:

> That transcend national boundaries in terms of the means by which they are accomplished, the persons they appear intended to coerce or intimidate, or the locale in which their perpetrators operate or seek asylum.

This is quoting from 50 United States Code, section 1801(c)(3):

> As a result, a FISA warrant would still be limited to collecting foreign intelligence for the international responsibilities of the United States, and the duties of the Federal Government to the States in matters involving foreign terrorism.

That is quoting from a court case that interpreted the provision.

Therefore, according to the Justice Department, the same interests and considerations that support the constitutionality of FISA as it now stands would provide the constitutional justification for S. 2568, which is the predecessor to S. 113, which is the bill before us.

So the definition is the same, the probable cause standard is the same, and the nexus to international terrorism is the same. None of that changes. The only thing that changes is that we add non-U.S. person so you can get to the lone wolf and do not have to either assert that the person is involved with an international terrorist organization or foreign power or presume that the individual is, because that person may well not be.

Finally, Senator FEINSTEIN made the point that under proper circumstances, S. 113 would allow the search of a solo international terrorist and the answer is, yes, that is exactly what it would allow. And especially with today's

weapons, which allow even a solo terrorist to be able to cause enormous destruction, the FBI should be able to monitor such a terrorist if it can convince the court that probable cause exists that would otherwise be the standard in any kind of FISA warrant request.

I think those are the answers to the allegations that have been made in support of the Feinstein amendment. I think it gets right down to what Senator FEINGOLD said, which is that there is simply disagreement about whether the lone wolf should be the subject of this statute. Obviously, if the amendment were to be adopted, we have our purpose, which is to add the third category.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, I thank the distinguished Senator from Arizona for his personal comments. He knows I have thoroughly enjoyed working with him. It is unusual—as a matter of fact, I cannot remember in all these years when we have ever been on opposite sides of one of these questions.

Let me state to the Senator my great fear. We all forget beneath the surface this Government has tremendous power. When that power is exercised against a person in this country, alone as a visitor, has no rights, it is enormous what can happen. What my deep concern is that overzealous prosecutors will use this where they should use title III and get a criminal warrant instead of a FISA warrant because of the removal of the agent of the foreign power. We keep the connection with the basics of the FISA statute which is surveillance related to an agent of the foreign power. We keep that. That is the justification for FISA. We give the judge the ability to make that as a presumption—ergo, giving the judge some discretion not to make it, and therefore the individual seeks the warrant—an FBI agent or whoever it is—goes to title III and gets a criminal warrant.

Once you get a FISA warrant, the benefits from the law enforcement side of the FISA warrant are much greater than the title III warrant.

It is a small protection. I don't believe, in my heart of hearts—and if this were to pass and the Senator from Arizona showed me that it did in any way prevent the FISA court from exercising its discretion just as you want it to, I will change it. I would be the first one to come back.

It prevents this misuse of a prosecutor who should be getting a title III warrant, who will come to the FISA court instead because the FISA court will be a rubberstamp, and because myself, a visiting Indian, Pakistani, Muslim, Frenchman, Italian, anybody in Los Angeles who happens to have in their pocket a one-way ticket and maybe a pocket knife—a box cutter may be out of date—and somebody has a suspicion, they do not have to prove anything. And they can surveil me, they can wiretap me, they can exert all of the surveillance powers that are used under FISA. They do not know whether I am going to commit a criminal act and they have no evidence of anything else. That is what title III is for. Title III has a little heavier cause burden, but as the Senator said, there is probable cause in both.

But the benefits of the FISA warrant are superior to the benefits of the title III warrant in their duration. So you can do all this to somebody for 90 days instead of 30 days and you do not have to come back and renew the warrant once every year. That is my concern.

As I read your legislation, there is no discretion. That is the problem I have with it. This is such a slight change, it is kind of a little tweak that a judge can say, hey, now, let's wait and see what you are doing here.

If the Senator would like to respond, I am happy to yield.

Mr. KYL. If I could, the Senator from California has been talking about discretion, and I guess I begin by asking a question.

Does the Senator intend the presumption language would apply both to the definition of the individual as an agent of a foreign power and relative to the activities in which the individual is allegedly engaging?

Mrs. FEINSTEIN. The presumption would be that the target or the individual would be an agent of a foreign power. Otherwise, you could have this against the Unabomber, Oklahoma City. Of course, they are American citizens, so I understand that does not apply, but that same kind of situation.

Mr. KYL. There are two things the court will have to determine. First, that this is a warrant that should be issued, that there is probable cause the underlying crime is being committed or activities engaged in for the preparation of a crime. And second, it lies against a particular kind of person we are talking about. In regular title III court you do not have the second requirement, but in FISA court you have to prove the person is either an agent of a foreign power or foreign intelligence organization, and we are adding this third criteria.

So the court has to make a 100 percent determination in both of those matters. If the court cannot find any evidence in the affidavit that the individual is not a United States citizen, for example, the court would have no discretion and have to deny the warrant. But if the court found part of the warrant was satisfied, this person is clearly a non-United States citizen, then, number two is satisfied; go back to number one, which is the question, Do we have probable cause to believe the person is engaging in the kind of activities that the statute discusses here.

That is not necessarily a matter of discretion so much as it is a matter of a court weighing the affidavit presentation and determining whether it is sufficient to meet the probable cause standard.

Mrs. FEINSTEIN. What I don't understand is why you do not want to give the judge that small bit of discretion with a presumption. The judge can presume it. We both know the history and the history is 100 percent if you include the appeal of FISA judges in granting warrants. So there will not be a problem there.

I am concerned about the overreach. I am concerned about the misuse. And the only way we could figure to counter that was to keep the agent a foreign power, provide this presumption that a judge could use in that one case.

Senator, neither you nor Senator FEINGOLD nor I would ever know if there was an overreach. That is what makes this far more dangerous, the fact that it is so secret.

Mr. KYL. If I could respond to the last point.

The matter about which the court has some degree of discretion is in the way it weighs the affidavit presentation relative to the underlying predicate for the warrant, the activities that are being engaged in, the purchase of the ticket, the presence of box cutters, all that information. The court weighs all that. It is presented in the affidavit, and the court makes a decision. It is enough or it is not enough. To some extent, you can say that is discretion. It is really applying the evidence to the probable cause test, weighing it and determining whether the evidence meets the case. In any event, that is where the court has some leeway to decide.

Where the court does not have any leeway is to something that is either a fact or it is not. That is, Does this person qualify or not? That is to say, is the person an appropriate subject for the warrant or not?

If you were asserting, for example, that the individual was a member of the Baader-Meinhoff gang, there would have to be evidence in the affidavit that is clear enough for the court to reach that conclusion or the court would say, sorry, this person does not qualify for a FISA warrant. I cannot find enough evidence in here that he is a member of the Baader-Meinhoff gang or a spy for the Soviet Union.

But with respect to whether this person is a non-United States person, that is something that will either be fairly true or not. It is either going to be true or not. The court is either going to be faced with a situation where the evidence is overwhelmingly clear in the affidavit and the United States attorney says it is very clear this person is not a United States citizen, here is the evidence we have, and the court will say, I agree. Or the court will say, all you have done is assert that the person is a non-United States citizen. I don't have any basis to know that or not. Where is your evidence to know that he is a non-U.S. citizen? So I am not going to grant the warrant. But that is the basis on which the court is going to make that judgment.

The court is not going to say there is a provision here that says I can presume that this individual is an agent of a foreign power and therefore I can have some leeway here to decide whether or not the warrant lies against this individual. The Government is either going to assert that the person is an agent of a foreign power or not. If the Government is saying no, we don't think this person is working for some foreign power, we think he is working on his own or at least we don't have any evidence to suggest he is anything other than an international terrorist traveling all around the world training and picking up different things and so on, but he is a dangerous guy and here is the reason we believe he is dangerous, a presumption at this point doesn't get you anywhere.

The court has no direction to go in. If you say there is a presumption that he is an agent of a foreign power and the Government is not trying to prove he is acting for a foreign power, what has this definition gained us? There are situations in which the Government simply isn't going to allege that the person is an agent of a foreign power; it is only going to allege that he is a lone wolf, but look at all the bad things he has done or is doing. If they are sufficient to grant a warrant, if there is probable cause there, the court can do it. If the court says it is not quite sufficient yet, get some more information, then he will deny the warrant.

The PRESIDING OFFICER. Who yields time?

Mrs. FEINSTEIN. I will yield time, Mr. President, and I will be very happy to have Senator FEINGOLD in this.

I think this is really the kind of discussion that we should be having. I welcome the free flow.

If I knew a better way of solving the problem Senator KYL mentioned, I would do it. But my view and what Intelligence staff and others have said to me is that the way it is worded creates a rubberstamp out of a FISA judge, once you take out that agent of a foreign power connection. I guess the reason they believe that is that it puts them into the other side, the title III side.

If I could think of another way, I would. But it is one added guarantee against an overreach. You and I have both known zealous prosecutors. You and I have both known people who would misuse this. The question comes, How do we prevent misuse from happening?

I am happy to yield to Senator FEINGOLD.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I again thank the Senator from California for yielding time and for her leadership. I thank the Senator from Arizona. He is a person of great integrity, and the way he concedes if he didn't say something exactly perfectly this morning is an example of exactly the kind of relationship I have with him on these debates. They are good debates. I appreciate that.

It is also true the Senator from California and the Senator from Arizona almost always agree on these kinds of issues. They are one of the most formidable combinations here in the Senate, in a bipartisan combination. I take great pride in the bipartisan work I have had a chance to do with people such as the other Senator from Arizona and the Senators from Maine.

So I take my hat off to them for having done that. I have often been on the other side of their view, which is not easy because they are well prepared and they are very dedicated and they like to get things done.

I guess that is why I think this is kind of a significant moment, when Senator FEINSTEIN and I actually agree on a point, when the two of you so frequently agree. I think it is a sign that there is something that needs to be fixed in this bill.

It is modest, but it is very important. I remind the Senator from Arizona that I think I essentially said this: I voted for this in committee in the hope it would be fixed on the floor.

My goal here is not to kill this bill. I do know how to vote against bills I don't like. My goal is to fix it because I think there is a problem with this issue. That is where we are with this amendment. This is an attempt to fix this bill on a very important point without, in my view, doing any serious harm at all to the goal of the Senator from Arizona and the goal of the Senator from New York.

The way I understand this operates is that in these cases the FISA court is going to grant this warrant upfront, essentially every time in the first request, because there will be the evidence or the presumption that there is a problem.

Where this, the Feinstein amendment, has a real impact is where they come back later and they have to come back for a renewal. If after a couple of years there is just no evidence at all or virtually no sign at all that the original belief about what this guy was about to do isn't bearing any fruit at all, in that case, and only in that case, should this, in terms of our laws and our tradition, be returned to the regular criminal court—only in that circumstance.

In other words, yes, the Government was trying to protect the American people, as they should. They had a person here who they believed might have a connection to a foreign power or be connected to a terrorist organization. But it turns out after some period of time that it just didn't happen to be one of those cases where that was true.

It is still a person who intended, perhaps, to do something very wrong. It is still a person who should be prosecuted. But it is a person who deserves the protections of the laws of the United States—because I am sure the Senator from Arizona agrees with me, barring this unusual kind of circumstance that is the basis for the FISA law, everyone who commits a crime on our soil, whether an American citizen or not, is entitled to the protections of our Constitution and the Bill of Rights in a criminal proceeding.

The FISA law is only a narrow exception to that. So let's be very clear on the record. I do want to get at these lone wolves who may have some connection to international actors, such as foreign powers, or to terrorist organizations. As the Senator from California pointed out, if it is simply a person committing a bad act on our soil, a person who is not an American citizen, that is what our criminal courts are for. That is what title III is for. That is the foundation of our system.

This is really an incredibly narrow exception, a backstop, a safeguard to make sure that the good intentions of what this bill is all about don't go too far. That is what the Senator from California said, so that there is not overreaching.

I have just one other point about what the Senator from New York said. He seemed to be setting up a scenario where there might be a conflict between the FISA judges, almost as if there were different circuits like in the regular courts. That is not the way the FISA courts are set up. There are different FISA judges, but together they constitute the appeals courts. There would not be different areas of the country that would have different laws of this kind of thing that would present any kind of problem in terms of a conflict in the circuits. I don't think this argument holds up.

Let me return to the point. The Senator from California has been so careful in making sure this is just a safeguard down the line, when somebody has been identified as a potential lone wolf and it does not really pan out, that there is some discretion rather than a permanent warrant into perpetuity for eavesdropping on somebody who certainly maybe needs to be evesdropped upon, but for whom that authority should be obtained through the normal criminal procedure, not on the basis of a law that was crafted under the assumption that this is a foreign threat to our Nation.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Arizona.

Mr. KYL. Mr. President, first of all, I thank Senator FEINGOLD for the kind words he had for me and my colleague from Arizona, Senator MCCAIN. I just spoke with Senator FEINSTEIN.

I don't think either of us has a whole lot more to say here. I think Senator ROCKEFELLER may wish to speak and there may be others.

I urge anyone who would like to speak to this amendment to come to the floor and speak because otherwise I think we are getting close to the time when we could vote.

I inquire of the Chair, how much time remains on both sides on this amendment?

The PRESIDING OFFICER. The Senator from Arizona has 98 minutes remaining. The Senator from California has 68 minutes remaining.

Mr. KYL. I think there is a little time left on the debate time as well, but I am prepared to yield that back when we are done with this amendment, as would Senator SCHUMER.

We could either note the absence of a quorum and wait a few minutes for somebody else or I could yield the floor to someone?

Mrs. FEINSTEIN. Mr. President, I suggest the absence of a quorum. I know Senator ROCKEFELLER is on his way.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I thank the distinguished Presiding Officer. I thank the Senator from California whose amendment to S. 113 I rise to support. I am a cosponsor of her amendment.

We live in a time in which we can never feel completely safe. There are terrorists throughout the world and here at home who have sworn to kill Americans. That is what they are trained to do. That is what they want to do. That is what they plan to do. We fight a war knowing that it may increase the terrorist threat against us. We buy duct tape and plastic sheeting. We plan escape routes for our families. We make decisions about whether to go to public events or ride a subway, or do all kinds of things. Does it change our lives or not? We are not even sure of that yet.

In times such as this, we in Congress have a special responsibility. We must be vigilant in our lawmaking and our oversight to make certain that the executive branch, our intelligence, and law enforcement agencies have all the legitimate tools to do their jobs in an efficient and effective way.

But our responsibility does not end there. It is easy to write laws to remove obstacles to prevent the Government from obtaining information. We have done that. Our challenge is to write laws that strengthen our security without undermining privacy and liberty. This is something our Nation has never faced before in the way which it is now going to be facing for the next several years.

It is our responsibility to look very closely at every piece of legislation related to fighting terrorism and ask: Do we need it? Does it make us feel safer? Yes. But do we really need it? Does it accomplish the goals we are seeking? And does it go too far?

I have cosponsored the Feinstein substitute amendment to S. 113 because I believe the language of the substitute is crafted carefully—very carefully—to accomplish our goals in the fight against terrorism without going too far.

Mr. President, I would like to explain why I believe that.

The Foreign Intelligence Surveillance Act of 1978 was designed to regulate the collection of foreign intelligence inside the United States using electronic wiretaps. Later, physical searches were added to the law.

Before FISA, the Foreign Intelligence Surveillance Act, the executive branch ran wiretaps for national security purposes without judicial review, without approval of any sort. Such wiretaps were potentially unconstitutional and, because of that, threatened the viability of espionage prosecutions and raised serious questions regarding civil liberties.

The Congress enacted FISA with the recognition that our national security required the collection of foreign intelligence in the United States through intrusive means under different circumstances and using different standards than in the criminal warrant context, and the courts have upheld the constitutionality of FISA.

The purpose of FISA is the collection of foreign intelligence. The standard used to distinguish between FISA collection and wiretaps related to criminal activity involves a determination that the target is a ''foreign power'' or linked to a ''foreign power.'' In the case of terrorists, the Government must show the target is an ''agent of a foreign power,'' a terrorist group operating overseas.

Both S. 113 and the Feinstein substitute address and solve the following problem: What if you have a non-U.S. person in the United States who is engaging in or preparing to engage in international terrorist activities, but the Government does not have enough evidence to link him to an overseas group?

Both S. 113 and the Feinstein substitute eliminate the requirement that the Government produce to the FISA court evidence showing a direct link between the target and a foreign terrorist group.

So why is the Feinstein substitute better?

Under S. 113, the Kyl-Schumer bill, a key principle of FISA is eliminated. Even if the Government has actual evidence that the target is not connected to a foreign terrorist group, under Kyl-Schumer, the Government can still get a FISA wiretap order. This simply goes too far, and it is not necessary, in the judgment of this Senator.

If we know for certain a person really has no foreign connections, if he or she is a true ''lone wolf''—a foreign ''Unabomber,'' for example—then it is a straightforward criminal investigation. There is no foreign intelligence to be gotten at all, and that person is not a valid target under FISA.

The Feinstein substitute gets the Government everything it wants without changing FISA in a way that damages its basic premise; to wit, FISA is for the collection of foreign intelligence and should not be used when the only objective at hand is the collection of criminal evidence.

Mr. President, I commend the carefully crafted solution offered by the Senator from California to a very difficult problem. As the vice chairman of the Intelligence Committee, I am proud to cosponsor this amendment, and I urge my colleagues to vote for it.

I thank the Presiding Officer and yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, first, I ask unanimous consent to have printed in the RECORD a letter dated April 30, 2003, to Chairman ORRIN HATCH from the Department of Justice relative to this legislation, and specifically an analysis of the amendment proposed by Senator FEINSTEIN on pages 5 and 6.

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

DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, April 30, 2003.

Hon. ORRIN G. HATCH,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This is in response to your request for the Administration's views on various proposed amendments to S. 113, a bill that would amend the Foreign Intelligence Surveillance Act of 1978 to permit electronic surveillance and physical searches of so-called ''lone wolf'' international terrorists—i.e., non-United States persons who engage in international terrorism or activities in preparation therefor without any demonstrable affiliation with an international terrorist group or other foreign power. On March 5, 2003, the Administration sent a letter indicating its support for S. 113 (copy attached). The Administration, however, is greatly concerned that this important FISA amendment would be subject to a sunset provision included in the USA PATRIOT Act of 2001. The Administration opposes the sunset language, and looks forward to working with Congress to ensure that this FISA amendment and those other portions of the USA PATRIOT Act subject to the sunset provision are addressed at the appropriate time. For reasons set forth below, we oppose the proposed amendments to S. 113. In particular, the Administration is concerned that the proposed amendments would weaken the FISA as an important instrument in the arsenal of the United States Government in combating terrorism and the espionage activities of foreign powers.

Authority of the FISC and FISCR. The first proposed amendment to S. 113, entitled ''Sec. 2. Additional Improvements to Foreign Intelligence Surveillance Act of 1978,'' would add a provision to 50 U.S.C. §1803 to grant the Foreign Intelligence Surveillance Court (''FISC'') authority to ''establish such rules and procedures, and take such actions, as are reasonably necessary to administer their responsibilities under this Act.'' The Administration opposes this grant of authority to a court that has an extremely limited statutory function of approving or disapproving applications made by the Government of orders with respect to electronic surveillance and search. Granting rulemaking authority by statute to the FISC and the FISCR—courts that operate in secret and that are of

very limited jurisdiction that is specified in detail in the FISA—is inappropriate.

Reporting Requirements. A second group of related amendments would require additional reporting concerning the use of FISA. Each is objectionable for reasons discussed below.

a. The first reporting amendment would require public disclosure of the number of United States persons targeted under various provisions of FISA. Under current law, the Department publicly reports the annual aggregate number of FISA searches and surveillances, but does not disclose publicly how many of those searches and surveillances involved United States persons. See 50 U.S.C. §§1807, 1826. The proposal also would require public disclosure of the number of times the Attorney General authorized the use of FISA information in a criminal proceeding—a statistic that currently is reported to the Intelligence Committees as part of a longstanding, carefully constructed, and balanced accommodation between the Executive and Legislative branches and in accordance with the FISA itself. See 50 U.S.C. §1808(a)(2)(A). Finally, the provision would require disclosure of portions of FISA pleadings and orders that deal with significant questions of law (not including discussion of facts) ''in a manner consistent with the protection of the national security of the United States.'' Each of these three reporting requirements is addressed below.

We oppose a requirement to disclose publicly the number of FISA targets that are United States persons. Congress has in the past considered and rejected proposals to require disclosure of this information to the general public rather than to the Intelligence Committees. In 1984, the Senate Select Committee on Intelligence was ''asked by the American Civil Liberties Union to consider making public the number of U.S. persons who have been FISA surveillance targets.'' S. Rep. No. 98–660, 98th Cong., 2d Sess. 25 (1984). The Committee rejected that proposal because ''the benefits of such disclosure for public understanding of FISA's impact would [not] outweigh the damage to FBI foreign counterintelligence capabilities that can reasonably by expected to result.'' Ibid. As the Committee explained, ''[a]ny specific or approximate figure would provide significant information about the extent of the FBI's knowledge of the existence of hostile foreign intelligence agents in this country. As in other areas of intelligence oversight, the Committee must attempt to strike a proper balance between the need for public accountability and the secrecy required for effective intelligence operations.'' Ibid. This analysis is at least as applicable to foreign terrorist organizations today as for foreign intelligence organizations and the Administration continues to support the balance that was struck in 1978 and reaffirmed in 1984.

We also oppose a requirement to disclose publicly the number of times the Attorney General has authorized the disclosure of FISA information for law enforcement purposes. This provision is problematic primarily because it is not confined to cases in which FISA information is actually used in a proceeding. Revealing the number of Attorney General authorizations for such use—as opposed to the use itself—is troubling because that information could involve classified and non-public matters with ongoing operational significance—e.g., an investigation that has not yet resulted in a public indictment or trial, or in which no indictment or trial ever will occur. Thus, these numbers potentially could reveal information about the Department's classified, operational efforts to protect against the activities of foreign spies and terrorists.

Finally, we believe that the disclosure of FISA pleadings and orders that deal with significant questions of law is inherently inconsistent with ''the protection of the national security of the United States.'' Virtually the entirety of each application to the FISC discusses the facts, techniques, or pleading of highly classified FISA operations. As we noted in our letter of August 6, 2002, on predecessor legislation in the 107th Congress, ''[a]n interpretation by the FISC of the applicability of FISA to a technique or circumstance, no matter how conceptually drawn, could provide our adversaries with clues to relative safe harbors from the reach of FISA.'' A copy of our earlier letter is attached for your convenience.

b. A separate but similar proposal, entitled ''Sec. 2. Public Reporting Requirements Under the Foreign Intelligence Surveillance Act of 1978'' and proposed by Senator Feingold, also would impose public reporting obligations. Instead of requiring the Department to report the number of FISA targets who are United States persons, it would require reporting of the number who are not United States persons, broken out by the type of FISA activity involved—e.g., electronic surveillance and physical search. This proposal also would require the Department to identify individuals who ''acted wholly alone.'' Like the proposal discussed above, this proposal would require the Department to report the number of times the Attorney General authorized the use of FISA information in a criminal proceeding, and portions of FISA pleadings and orders that deal with significant questions of law ''in a manner consistent with the protection of the national security of the United States.'' The objections set forth above apply equally to this proposal.

c. Finally, a very recent reporting proposal, also proposed by Senator Feingold, would require an annual report on FISA to the Intelligence and Judiciary Committees. The report would include the classified statistical information described above—including numbers of non-U.S. persons targeted under each major provision of FISA—and would also require submission of portions of FISA pleadings and court orders. For reasons stated above and in our letter of August 6, 2002, we continue to oppose any requirement to submit portions of FISA pleadings and orders. More broadly, we strongly oppose the amendment because it threatens to upset the delicate balance between the Executive and Legislative Branches of government in the area of intelligence and intelligence-related oversight and reporting.

The FISA statute prescribes the types of information that must routinely be provided to the Judiciary Committees. Under current law, the Department of Justice provides to the Judiciary Committees and makes public ''the total number of applications made for orders and extensions of orders'' approving electronic surveillance and physical searches under FISA, and ''the total number of such orders and extensions either granted, modified, or denied.'' 50 U.S.C. §1807; see 50 U.S.C. §1826; 50 U.S.C. §1846 (similar reporting requirement for numbers of pen-trap applications and orders); 50 U.S.C. §1862 (similar reporting requirement for numbers of applications and orders for tangible things). The Department has, of course, consistently met these statutory requirements.

The FISA reporting obligations concerning the Intelligence Committees are much broader. Under 50 U.S.C. §1808, the Attorney General must ''fully inform'' the House and Senate Intelligence Committees ''concerning all electronic surveillance'' conducted under FISA, and under 50 U.S.C. §1826 he must do so ''concerning all physical searches'' conducted under the statute. In keeping with this standard, the Department submits extremely lengthy and detailed semi-annual reports to the Intelligence Committees, including specific information on ''each criminal case in which information acquired [from a FISA electronic surveillance] has been authorized for use at trial,'' 50 U.S.C. §1808(a)(2)(B), and ''the number of physical searches which involved searches of the residences, offices, or personal property of United States persons,'' 50 U.S.C. §1826(3). The reports also review significant legal and operational developments that have occurred during the previous six months. These classified reports are painstakingly prepared in the Justice Department and are obviously, from the questions and comments they generate, closely scrutinized by the Intelligence Committees. See generally S. Res. No. 400, 94th Cong., 2d Sess. (1976); H.R. Res. No. 658, 95th Cong., 1st Sess. (1977).

The ''fully inform'' standard that governs Intelligence Committee oversight of FISA is the same standard that governs Congressional oversight of the Intelligence Community in general. See S. Rep. No. 95–604, 95th Cong., 1st Sess. 60–61 (1977); S. Rep. No. 95–701, 95th Cong., 2d Sess. 67–68 (1978); see also H.R. Rep. No. 95–1283, Pt. 1, 95th Cong., 2d Sess. 96 (1978). The requirement to ''fully inform'' the Intelligence Committees, rather than Congress as a whole, is consistent with the long-standing legal framework and historical practice for Intelligence Community reporting to, and oversight by, Congress on matters relating to intelligence and intelligence-related activities of the United States government. Consistent with the President's constitutional authority to protect national security information, Congress and the President established reporting and oversight procedures that balance Congress' oversight responsibility with the need to restrict access to sensitive information regarding intelligence sources and methods. The delicate compromise—embodied in FISA and more generally in Title V of the National Security Act of 1947, 50 U.S.C. §§413–415, and based on the preexisting practice of providing only the intelligence committees with sensitive information regarding intelligence operations—established procedures for keeping Congress ''fully and currently informed'' of intelligence and intelligence-related activities. Under these procedures, the Intelligence Community provides general, substantive, and, often, classified finished intelligence information to several committees of Congress, but generally provides classified operational information only to the Intelligence committees. Even with regard to the Intelligence Committees, the Director of Central Intelligence and the heads of other intelligence agencies are, under Title V, to provide such information only ''to the extent consistent with due regard for the protection from unauthorized disclosure of classified information relating to sensitive intelligence sources and methods or other exceptionally sensitive matters. 50 U.S.C. §§413a(a), 413b(b).

Senator Feingold's reporting proposals would, in sum, distort and damage the effective, longstanding accommodation between the President and Congress, and between the Intelligence and Judiciary Committees, over the handling of classified operational intelligence information within Congress. It is noteworthy that the current leadership of both the House and Senate Judiciary Committees have expressed their approval of the existing accommodation. In a press release dated October 17, 2002, the Chairman of the House Judiciary Committee stated that the existing accommodation provides for ''reasonable, limited access, subject to appropriate security procedures, to FISA information through [the House Intelligence Committee].'' In addition, your letter of February 27, 2003, to Senators Leahy, Grassley

and Specter on FISA matters stated that the existing congressional oversight standards relating to FISA reflect a ''careful balance between the need for meaningful oversight and the need for secrecy and information security in the government's efforts to protect this country from foreign enemies.'' Moreover, you stated that your years of service on both the Senate Judiciary Committee and the Senate Select Committee on Intelligence have led you to conclude that the existing accommodation allows Congress to exercise ''appropriate, vigorous, robust and detailed oversight of the FISA process.''

Reporting on National Security Letters. The next proposed amendment to S. 113, entitled ''Sec. 3. Improvement of Congressional Oversight of Surveillance Activities,'' would require additional reporting specifically addressing the use of 18 U.S.C. §2709(e) in the context of requests made to schools and public libraries. We are concerned that a reporting requirement at this level of formality and specificity would unduly increase the risk of public exposure of the information, thereby jeopardizing our counterintelligence and counterterrorism efforts.

Presumption. Another proposal is presumably intended as a substitute for S. 113 and would create a ''presumption that certain non-United States persons engaging in international terrorism are agents of foreign powers for purposes of the Foreign Intelligence Surveillance Act of 1978.'' Under the proposal, the FISC would be instructed that it ''may presume'' that a non-United States person engaged in international terrorism or activities in preparation therefor ''is an agent of a foreign power'' as defined in FISA.

By providing that the FISC ''may presume'' the target is acting for or on behalf of an international terrorist group, the proposal would confer discretion on the FISC without any standards to guide the exercise of that discretion. Accordingly, the effect of the proposal is uncertain. It is conceivable that the FISC (or a reviewing court) would indulge the presumption only where the Government had established probable cause or something near to probable cause that the target in fact was working for or on behalf of a terrorist group. In that event, the proposal would be useless or nearly useless. The unpredictability inherent in the proposal also would significantly reduce its value even if, in the end, the FISC and later courts interpreted it more expansively in any particular case.

Nor do we believe that there is a reason to use a presumption—even a mandatory presumption—instead of the straightforward approach of S. 113 itself. In particular, we see no constitutional benefit likely to arise from the use of a presumption. Our letter of July 31, 2002 (copy attached), which explained the constitutionality of an earlier version of S. 113 (which would have made a lone-wolf terrorist a ''foreign power'' rather than an ''agent of a foreign power'') applies equally to the current version of S. 113. We do not believe that the use of a presumption significantly changes the constitutional analysis, nor adds any significant protection to civil liberties, except to the extent that the presumption is read narrowly to mirror current law, in which case the presumption is of little or no value for reasons explained in the previous paragraph.

Discovery. The next proposal would change the standards governing discovery of FISA materials in suppression litigation arising from the use of FISA information in a legal proceeding such as a criminal trial. We strongly object to this proposal. The proposal could harm the national security by inhibiting cooperation between intelligence and law enforcement efforts to stop foreign spies and terrorists. It could deter the Government from using information obtained or derived from FISA in any proceeding—civil, criminal, immigration, administrative, or even internal Executive branch proceedings. These overwhelming and potentially catastrophic costs would be incurred for very little benefit, because current law amply protects individual rights.

It may be helpful to begin by reviewing current law in this area and the ways in which it protects individual rights. Currently, FISA requires high-level approval from the Executive and Judicial branches before the Government conducts a search or surveillance. Each FISA application must contain a certification signed individually and personally by the Director of the FBI (or another high-ranking official accountable to the President) and must be individually and personally approved by the Attorney General or the Deputy Attorney General. 50 U.S.C. §§1804(a), 1823(a), 1801(g). Under the statute, the Government must apply to a judge of the FISC for approval before conducting electronic surveillance or physical searches of foreign powers or agents of foreign powers inside the United States. 50 U.S.C. §§1804–1805 (electronic surveillance), 1823–1824 (physical searches). Judges of the FISC are selected by the Chief Justice from among the judges on United States District Courts, who as United States district judges are protected by Article III of the Constitution. 50 U.S.C. §§1803(a), 1822(c).

A second round of judicial review occurs before the Government may use FISA information in any proceeding. The Government must provide notice to the FISA target or other person whose communications were intercepted or whose property was searched before using any information obtained or derived from the surveillance or search in any proceeding against that person ''before any court, department, officer, agency, regulatory body, or other authority of the United States.'' 50 U.S.C. §§1806(c), 1825(d). After receiving notice, the person may file a motion to suppress in a United States District Court and may seek discovery of the FISA applications filed by the Government and the authorization orders issued by the FISC. 50 U.S.C. §§1806(e)–(f), 1825(f)(g). Discovery may be granted freely unless the Attorney General personally files an affidavit under oath asserting that discovery would harm the national security. If the Attorney General files such an affidavit, as he has in every case litigated to date, the district judge must review the FISA application and order in camera, without granting discovery, unless ''disclosure is necessary to make an accurate determination of the legality'' of the search or surveillance. 50 U.S.C. §§1806(f), 1825(g). If discovery is granted, the court must impose ''appropriate security procedures and protective orders.'' Ibid. No court has ever ordered disclosure.

Congress established this standard for discovery after extensive and careful deliberation in 1978. See H.R. Rep. No. 1283, Part I, 95th Cong., 2d Sess. 90 (1978) (hereinafter House Report); S. Rep. No. 604, 95th Cong., 1st Sess. 57–59 (1977) (hereinafter Senate Judiciary Report); S. Rep. No. 701, 95th Cong., 2d Sess. 62–65 (1978) (hereinafter Senate Intelligence Report). As the 1978 conference report on FISA explains, ''an in camera and ex parte proceeding is appropriate for determining the lawfulness of electronic surveillance in both criminal and civil cases . . . [and] the standard for disclosure . . . adequately protects the rights of the aggrieved person.'' H.R. Rep. No. 1720, 95th Cong., 2d Sess. 32 (1978) (hereinafter Conference Report). As the Senate Judiciary Committee explained in 1978: ''The Committee views the procedures set forth in this subsection as striking a reasonable balance between an entirely in camera proceeding which might adversely affect the defendants's ability to defend himself, and mandatory disclosure, which might occasionally result in the wholesale revelation of sensitive foreign intelligence information.'' Senate Judiciary Report at 58.

The proposal would replace FISA's current standard with a new one under which discovery is required unless it ''would not assist in determining any legal or factual issue'' in the litigation. The ''would not assist'' standard is inappropriate for use in FISA, in particular, because it is lower than the standard for disclosure of informants' names in ordinary criminal cases. That standard at least requires a balancing of the public interest in confidentiality against the individual defendant's interest in disclosure. As the Supreme Court explained in McCray v. Illinois, 386 U.S. 300, 311 (1967), extending its earlier decision in Roviaro v. United States, 353 U.S. 53, 60–61 (1957), ''this Court was unwilling to impose any absolute rule requiring disclosure of an informer's identity even in formulating evidentiary rules for federal criminal trials [in Roviaro]. Much less has the Court ever approached the formulation of a federal evidentiary rule of compulsory disclosure where the issue is the preliminary one of probable cause.'' Indeed, the ''would not assist'' standard is lower even than the standards that govem various civil privileges, all of which require some kind of balancing of the interests in disclosure against the interests in confidentiality. See, e.g., In re Sealed Case, 121 F.3d 729, 738 (D.C. Cir. 1997). In effect, the ''would not assist''' standard is the appropriate standard for discovery of unclassified and non-privileged information, because no discovery of any kind is justified unless it would assist the litigation.

The ''would not assist'' standard could have very dangerous consequences for the national security. At the outset, we are concerned that the standard could lead to discovery being granted in nearly every case, because it is extremely hard to prove the negative fact that disclosure ''would not assist'' in any way. Such routine disclosure could be catastrophic: FISC applications contain some of the Government's most sensitive national security information, including information concerning human intelligence sources, sophisticated technical collection methods, and the details of ongoing investigations. Given the enormous sensitivity of that information and the details of ongoing investigations. Given the enormous sensitivity of that information, when the Attorney General personally files an affidavit under oath asserting that disclosure would harm the national security, ordering disclosure unless it ''would not assist'' in any way is inappropriate. In view of the protections in FISC and the requirement of an affidavit filed personally by the Attorney General, the ''necessary'' standard of current law should be retained.

Indeed, precisely because it may lead to discovery in virtually every case, the proposal would create an incentive for the Government to withhold sensitive information from its FISC applications. Under the ''would not assist'' standard, the Government might have to choose between excluding sensitive information from an application and risking a denial of search and surveillance authority from the FISC, or including the sensitive information and risking public disclosure of that information. Thus, the proposal could fundamentally alter the relationship between the Government and the FISC and could eviscerate the significance of the FISC's careful information security procedures, which are designed to give the Government confidence that full disclosure to the FISC will not result in a compromise of sensitive information.

Since the Government can never completely sanitize a FISC application, the ''would not assist'' standard would also create strong incentives to avoid suppression litigation and the expanded risk of discovery. That means the Government would lean away from prosecution of a FISC target, even where that was the best way to protect the country. It would thereby reduce the Government's ability to keep the country safe, distorting the vital tactical judgments that must be made. Indeed, the proposal would inhibit more than just prosecutions. In keeping with the scope of FISC's suppression remedy, the proposal would limit the use of FISC information in any proceeding, including immigration proceedings, or even in intemal adjudications of security clearances under Executive Order 12968. Here again the Government would face a difficult choice between using FISC information to protect national security and risking disclosure of the information as the cost of doing so.

We appreciate your continuing leadership in ensuring that the Department of Justice and other Federal agencies have the authority they need to combat terrorism effectively. Please do not hesitate to contact me if I can be of further assistance. The Office of Management and Budget has advised us that from the perspective of the Administration's program, there is no objection to submission of this letter.

Sincerely,

JAMIE E. BROWN,
Acting Assistant Attorney General.

Mr. HATCH. Mr. President, I rise in opposition to Senator FEINSTEIN's amendment. While I appreciate the efforts by Senator FEINSTEIN to draft a fix to the lone wolf terrorist problem under the Foreign Intelligence Surveillance Act of 1978, referred to as ''FISA'', the amendment simply will not do the job and will continue to expose our country to great national security risks. I will not and cannot accept such risks.

Let me be more specific as to my concerns. First, as drafted, the amendment would create only a permissive presumption to authorize a court to approve a Foreign Intelligence Surveillance Act, ''FISA'', application when presented with a lone wolf situation. As drafted, the proposal would provide only that the court ''may'' find the existence of a ''presumption'' that a non-U.S. person engaged in sabotage or international terrorism is an agent of a foreign power under FISA.

A permissive presumption creates a significant risk that the FISA court may not be authorized—or may feel constrained to exercise its discretion—to approve a FISA application when presented with a lone wolf terrorist who would otherwise be covered by the Kyl-Schumer-Biden-DeWine approach.

Second, the amendment does not clearly delineate how a permissive presumption would be applied by the FISA court. Assuming that the FISA court exercises its discretion and makes a finding that the presumption applies, the FISA court would then have to consider additional evidence in order to grant the application.

The amendment does not specify beyond the permissive presumption what specific evidence or what other findings would have to be made in order for the FISA court to approve the application.

In sum, by injecting a significant level of uncertainty into the FISA process, the amendment simply creates or even exacerbates the problem which it is intended to fix. We simply cannot take such a risk given the potential devastating consequences posed by the lone wolf terrorist.

I would note here that in a letter dated April 30, 2003, the administration opposed this proposal, citing the fact that the effect of the proposal was unclear and that the proposal did not provide any standards to the FISA court to guide the exercise or its discretion.

In contrast, the Kyl-Schumer-Biden-DeWine proposal creates clear definitions and would minimize uncertainty in an area where ambiguity could have devastating consequences—that is, where we are in danger of a terrorist attack by a lone wolf.

For these reasons, I oppose the Feinstein amendment and urge my colleagues to vote against the Feinstein amendment.

I yield the floor.

Mr. KYL. Mr. President, the proponents of the bill urge our colleagues to vote against the Feinstein amendment. And from our perspective, I think we are ready to have that vote.

I ask Senator FEINSTEIN if she is ready, as well?

Mrs. FEINSTEIN. Through the Chair, I think we can yield back the remainder of our time, I say to the Senator, and hold the vote, if everybody so desires.

Mr. KYL. Mr. President, I yield back the remainder of my time on both the amendment and on the bill itself.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to amendment No. 537.

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

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MCCONNELL. I announce that the Senator from Alaska, (Ms. MURKOWSKI) is necessarily absent.

Mr. REID. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Florida (Mr. GRAHAM), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Massachusetts (Mr. KERRY) and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Delaware (Mr. BIDEN) would vote ''no.''

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KERRY) would vote ''aye.''

The result was announced—yeas 35, nays 59, as follows:

[Rollcall Vote No. 145 Leg.]

YEAS—35

Akaka	Durbin	Murray
Baucus	Edwards	Nelson (FL)
Bayh	Feingold	Nelson (NE)
Bingaman	Feinstein	Pryor
Boxer	Harkin	Reed
Byrd	Hollings	Reid
Cantwell	Jeffords	Rockefeller
Clinton	Johnson	Sarbanes
Corzine	Lautenberg	Stabenow
Daschle	Leahy	Sununu
Dayton	Levin	Wyden
Dodd	Mikulski	

NAYS—59

Alexander	DeWine	Lott
Allard	Dole	Lugar
Allen	Domenici	McCain
Bennett	Dorgan	McConnell
Bond	Ensign	Miller
Breaux	Enzi	Nickles
Brownback	Fitzgerald	Roberts
Bunning	Frist	Santorum
Burns	Graham (SC)	Schumer
Campbell	Grassley	Sessions
Carper	Gregg	Shelby
Chafee	Hagel	Smith
Chambliss	Hatch	Snowe
Cochran	Hutchison	Specter
Coleman	Inhofe	Stevens
Collins	Inouye	Talent
Conrad	Kohl	Thomas
Cornyn	Kyl	Voinovich
Craig	Landrieu	Warner
Crapo	Lincoln	

NOT VOTING—6

Biden	Kennedy	Lieberman
Graham (FL)	Kerry	Murkowski

The amendment (No. 537) was rejected.

Mr. BIDEN. Mr. President, I am pleased to support final passage of S. 113, a bill to amend the Foreign Intelligence Surveillance Act, FISA, to provide needed tools to detect and combat terrorists bent on attacking this Nation and killing our citizens. First, let me commend my colleagues, Senators KYL and SCHUMER, for their relentless efforts in bringing this important issue to the floor of the U.S. Senate. Since the tragic events of September 11, all of us have tried to turn a critical eye toward our laws and the workings of government to discern how we might avert such a dreadful attack in the future. That attempt to fix what may be wrong with our existing system of intelligence-gathering and law enforcement is perhaps the greatest tribute we can offer to the victims of that fateful day and their families.

This bill, as amended, is a good example of how we can make basic, common-sense changes to existing law that will have a tremendous impact on our fight against terrorism. I was proud to be one of the authors of FISA in 1978. We worked long and hard to strike the right balance between protecting civil liberties on the one hand and deterring terrorist acts on the other. Since FISA permits the physical and electronic surveillance of suspected foreign agents, in some instances under a more generous standard than that allowed in Title III surveillances, an amendment to FISA should be carefully tailored to maintain its careful balance. I do not take lightly amending FISA, but believe that this bill does so in a manner that is both constitutional and narrowly tailored.

I want to thank the sponsors of this legislation for their willingness to work with me to improve their original bill. I proposed two amendments, both of which were accepted by Senators KYL and SCHUMER—and which the Judiciary Committee adopted without a dissenting vote on April 29, 2003. I believe my amendments improve S. 113 in three ways:

First, the original legislation—which would have amended FISA to expand the definition of ''foreign power'' under 50 U.S.C. §1801(a)(4) to include non-U.S. persons who are engaged in international terrorism—would have allowed the government to extend the initial surveillance order for a period up to 1 year. The 1-year period constitutes the maximum period allowed under the statute and is only invoked under certain circumstances typically limited to groups and entities. More commonly, an order to conduct surveillance of individuals is only extended for a period up to 90 days. Instead, the amendment we offered on April 29, 2003, amended the definition for ''agent of a foreign power'' by creating a new 50 U.S.C. §1801(b)(1)(C). This amendment would apply the default 90-day period to this new category of surveillance targets, which is far more sensible and consistent with the way we treat other individual targets, as opposed to groups, under the statute.

Second, by amending 50 U.S.C. §1801(a), the original legislation would have precluded individuals who are improperly subjected to surveillance or about whom surveillance information has been inappropriately disclosed from filing suit. My amendment, on the other hand, allowed aggrieved individuals who are improperly targeted under this new provision to seek redress in the courts and, where appropriate, recover damages. This modification to Senator KYL'S original bill is consistent with the typical and intended treatment of individuals under 18 U.S.C. §1801(b). *See* H.R. Rep. No. 95–1283, at pt. 1, 98 (1978) (noting that the only aggrieved persons ''barred from the civil remedy will be primarily those persons who are themselves immune from criminal or civil liability because of their diplomatic status'').

Third, my amendment added a sunset provision to the legislation, forcing Congress to re-visit this issue no later than December 31, 2005. The USA Patriot Act (which the Senate overwhelmingly passed a year and a half ago) includes a similar sunset provision for the FISA provisions contained therein. My amendment simply insures that this body will reevaluate the FISA measure on which we are voting today, in the context of its broader re-consideration of those other FISA provisions. Such a review is consistent with our oversight function and, plainly put, ensures that our actions are thoughtful and informed.

Again, I am pleased that Senators KYL and SCHUMER accepted these important revisions to the original text and, on that basis, am happy to support the amended bill that is before the Senate today.

I also would like to commend my colleague, Senator FEINSTEIN, for her efforts to engage this issue responsibly and thoughtfully. She has proposed an alternative, which makes an important contribution to the debate but with which I happen to disagree, for several reasons.

First, my good friend from California asserts that criminal prosecutors will abuse the FISA process by securing FISA surveillance—with its lower burdens of proof—against garden variety criminal targets, rather than pursuant to Title III. I am simply not persuaded that this will be the case. It should be noted that the new section created in this bill has a very high standard, higher indeed than that required by Title III. That is, the government must show probable cause that the FISA target has engaged in acts of ''international terrorism,'' which the statute defines as acts which (i) are a violation of the criminal law under the laws of the United States or any state; (ii) appear intended to influence our government or intimidate our citizens; and (iii) which occur outside the United States or transcend national boundaries. Thus, I doubt that a prosecutor would ever be able to seek a FISA warrant under this section where he would not also be able to obtain a Title III warrant. Morever, I am not convinced that a prosecutor would seek a FISA warrant where their real interest is, not obtaining foreign intelligence information, but rather the eventual prosecution of the FISA target. Given the strict exclusionary rules FISA imposes, prosecutors would be loathe to ever seek a FISA warrant for a target they seek to prosecute out of fear that the judge would suppress the surveillance in a criminal prosecution which was improperly ''boot-strapped'' from a FISA investigation.

Second, the Feinstein amendment asserts that, under the Kyl-Schumer bill, a judge would be a mere ''rubber-stamp'' for a governmental request for a FISA warrant. The amendment presumes that judges do not now have discretion to refuse the government's request, which is not true. Under current law, the judge still must determine that probable cause exists that the individual is an agent of a foreign power engaged in, or in preparation for, acts of international terrorism. S. 113 does nothing to alter that existing requirement. Rather, it makes it clear that any non-U.S. citizen who engages in terrorism or is preparing to engage in terrorism would fall within the definition of an ''agent of a foreign power.'' Nothing in this bill would curtail a judge's ability to second-guess, or look behind, the assertions advanced by the government in its application for a warrant. If there is no basis to believe that probable cause exists, the application would be properly denied. Indeed, we rely on judges for this very purpose—namely, to ascertain the veracity of the facts presented by the government.

As opposed to clarifying the definition of ''agent of a foreign power,'' as the Kyl-Schumer bill does, the Feinstein amendment would allow—but not require—a judge to ''presume'' that an individual is such an agent, which in my view creates a difference without a real distinction. Rather than afford individual targets any added protections, the Feinstein amendment would inject a considerable amount of murkiness into an otherwise certain process and may result in inconsistent rulings by different judges. Likewise, FISA judges may simply decline to apply the presumption in cases where the government cannot show much, if any, link between the non-U.S. citizen and a foreign power. There has been considerable disagreement over whether the Federal Bureau of Investigation had sufficient evidence to show that Zacarias Moussaoui, the so-called ''20th Hijacker,'' was an agent of a foreign power. Yet, I am concerned that a FISA judge might decline to exercise the ''permissive presumption'' in Senator FEINSTEIN's amendment, and hence deny a FISA warrant, in the case of a true ''lone-wolf'' terrorist who cannot be shown to have any links to a foreign power. As such, the FISA ''loophole'' S. 113 seeks to close would be left open. On that basis, I am forced to vote against the amendment.

That is not to say, however, that there is not much more work to be done in this area. We must search for creative ways to give investigators the tools they need to gather information and seek out terrorists living among us, while at the same time vigilantly protect important civil rights and liberties. Toward that end, I welcome the oversight hearings that my friend Senator HATCH, chairman of the Judiciary Committee, has pledged to convene on the implementation of FISA and offer my continued service.

It is my hope that the Senate's action today will assist our government in its effort to detect and root out foreign terrorists bent on violent acts against this great country. I support this bill and urge my colleagues to vote for it.

Mr. HATCH. Mr. President, I commend Senators KYL, SCHUMER, BIDEN and DEWINE for their bipartisan cooperation in supporting S. 113. This bill will provide a critical tool needed by law enforcement and intelligence agencies to fight the war against terrorism. Specifically, S. 113 will address a glaring omission in the Foreign Intelligence Surveillance Act of 1978 referred to as FISA, to authorize the gathering of foreign intelligence information relating to a lone-wolf terrorist, that is, a non-U.S. person who is engaged in international terrorism or preparation thereof. In recognition of the critical need to support law enforcement and intelligence agencies in

the war against terrorism, the Judiciary Committee passed S. 113 by a bipartisan, unanimous vote of 19 to 0.

This bipartisan proposal will enhance the ability of the FBI and intelligence agencies to investigate, detect, and prevent terrorists from carrying out devastating attacks on our country. Specifically, S. 113 will amend the Foreign Intelligence Surveillance Act to include lone-wolf terrorists who engage in international terrorism or activities in preparation thereof without a showing of membership in or affiliation with an international terrorist group. A significant gap in the current statute exists with respect to application of the foreign power requirement to lone-wolf terrorists. S. 113 would authorize FISA surveillance or searches when law enforcement and intelligence agents identify an individual involved in international terrorism but cannot link the terrorist to a specific group.

The administration strongly supports amending FISA to include non-U.S. lone-wolf terrorists. On March 4, 2003, at a Judiciary Committee hearing examining the war on terrorism, both Attorney General Ashcroft and FBI Director Mueller indicated their strong support for fixing this glaring omission in the FISA statute. In fact, Director Mueller testified, both before the Judiciary Committee and previously before the Senate Select Committee on Intelligence, there is an increasing threat of lone extremists who have the motive and ability to carry out devastating attacks against our country.

We need to provide law enforcement and intelligence agencies with the tools needed to protect our country from deadly terrorist attacks. With our recent success in the war against Iraq, the risk of terrorist attacks against our country may well rise. We need to ensure that our country has the ability to investigate and prevent such attacks if carried out by a lone extremist.

While some interest groups that oppose this measure suggest that such a fix is not needed or claim that the FBI failed to properly apply the law in the Moussaoui investigation, that is simply beside the point: The September 11 attack against our country highlighted the need to fill in this gap in the FISA statute.

FISA provides that electronic surveillance or physical searches may be authorized when there is probable cause to believe that the target is either an agent of, or is himself, a ''foreign power''—a term that is currently defined to include only foreign government or international terrorist organizations. Requiring a link to government or international terrorist organizations may have made sense when FISA was enacted in 1978; in that year, the typical FISA target was a Soviet spy or a member of one of the hierarchical, military-style terror groups of that era.

Today the United States faces a much different threat. We are principally confronted not by specific groups or governments, but by a movement of Islamist extremists which does not maintain a fixed structure or membership list, and its adherents do not always advertise their affiliation with this cause. Moreover, in response to our country's efforts to fight terrorism worldwide, terrorists are increasingly operating in a more decentralized manner, far different from the terrorist threat that existed in 1978. The threat posed by a lone terrorist may be very real and may involve devastating consequences, even beyond those suffered by our country on September 11. Given this increasing threat, we have to ensure that intelligence and law enforcement agencies have sufficient tools to meet this new—and even more dangerous—challenge.

While I support S. 113, as passed by the Judiciary Committee, I wish to note my concerns about the amendment offered by Senator FEINGOLD, which has been agreed to, as part of consideration of this matter.

The Feingold amendment would impose new FISA reporting requirements on the Justice Department, and require: (1) reports on the number of U.S. persons targeted by FISA order, by specific categories of surveillance, for example, electronic surveillance, physical searches, pen registers, and access to records; (2) identification of individuals who ''acted wholly alone;'' (3) disclosure of the number of times FISA material was used in a criminal proceeding; and (4) disclosure of portions of FISA pleadings and orders that deal with significant questions of law ''in a manner consistent with the protection of the national security of the United States.''

As I have indicated on other occasions, I support reporting requirements when necessary for Congress to exercise responsible oversight. We have a duty to conduct meaningful oversight of the FISA process, and I am committed to such oversight and ensuring proper reporting requirements are imposed on the Justice Department.

My concern with the Feingold amendment is that the operation of the amendment is unclear and may create confusion rather than bringing clarity to the issue. I would have preferred that we conduct a more deliberate examination of this issue to ensure that the reporting requirements are not harmful and will not create any significant risk of harm to sensitive law enforcement and intelligence operations against terrorists.

More significantly, I am concerned that the Feingold amendment will alter well-established procedures for Congress's review and handling of classified operational intelligence information, in contrast to Congress's review and handling of ''finished'' intelligence information. For many years, and in fact the reason for the creation of the Senate Select Committee on Intelligence was to establish a professional, dedicated Intelligence Committee staff which would handle sensitive operational intelligence information. Congress did so to minimize the potential risk of harm to foreign counterintelligence operations. The accidental or inadvertent disclosure of such material could have a devastating impact on extremely sensitive CIA or FBI counterintelligence operations.

Further, the Senate Select Committee on Intelligence rejected a similar reporting proposal in 1984 because ''the benefits of such disclosure for public understanding of FISA's impact would not outweigh the damage to FBI foreign counterintelligence capabilities that can be reasonably expected to result.''

The FISA statute already sets forth detailed and specific requirements for the reporting of information to the Intelligence and Judiciary Committees, and there is simply no need to disrupt long-established processes and procedures for FISA reporting between the executive branch and the Intelligence and Judiciary Committees relating to the handling of classified operations intelligence information.

While I have these concerns about the Feingold amendment, on balance, I believe that fixing the FISA statue to address the long-wolf terrorist problem is more important than remedying the deficiencies in the Feingold amendment. The potential harm to our country from a lone-wolf terrorist attack is significant and we must act—and act now by passing A. 113.

Again, I commend Senators KYL, SCHUMER, BIDEN, and DEWINE for this important piece of legislation which reflects our bipartisan commitment to ensuring the safety of our country and the need to be vigilant in protecting our country from deadly and devastating terrorist attacks. I urge my colleagues to vote in favor of S. 113.

The PRESIDING OFFICER (Mr. ENZI). Under the previous order, the committee amendment, as amended, is agreed to.

The committee amendment, in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. Under the previous order, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. REID. Mr. President, I yield back all of our time.

The PRESIDING OFFICER. All time has been yielded back.

Mrs. FEINSTEIN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The bill having been read the third time, the question is, Shall the bill, as amended, pass? The clerk will call the roll.

The legislative clerk called the roll.

Mr. MCCONNELL. I announce that the Senator from Alaska (Ms. MURKOWSKI) is necessarily absent.

Mr. REID. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Florida (Mr. GRAHAM), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Massachusetts (Mr. KERRY), and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Delaware (Mr. BIDEN) and the Senator from Massachusetts (Mr. KERRY) would each vote ''Aye''.

The result was announced—yeas 90, nays 4, as follows:

[Rollcall Vote No. 146 Leg.]

YEAS—90

Akaka	DeWine	Lugar
Alexander	Dodd	McCain
Allard	Dole	McConnell
Allen	Domenici	Mikulski
Baucus	Dorgan	Miller
Bayh	Edwards	Murray
Bennett	Ensign	Nelson (FL)
Bingaman	Enzi	Nelson (NE)
Bond	Feinstein	Nickles
Boxer	Fitzgerald	Pryor
Breaux	Frist	Reed
Brownback	Graham (SC)	Reid
Bunning	Grassley	Roberts
Burns	Gregg	Rockefeller
Campbell	Hagel	Santorum
Cantwell	Hatch	Sarbanes
Carper	Hollings	Schumer
Chafee	Hutchison	Sessions
Chambliss	Inhofe	Shelby
Clinton	Inouye	Smith
Cochran	Jeffords	Snowe
Coleman	Johnson	Specter
Collins	Kohl	Stabenow
Conrad	Kyl	Stevens
Cornyn	Landrieu	Sununu
Corzine	Lautenberg	Talent
Craig	Leahy	Thomas
Crapo	Levin	Voinovich
Daschle	Lincoln	Warner
Dayton	Lott	Wyden

NAYS—4

Byrd	Feingold
Durbin	Harkin

NOT VOTING—6

Biden	Kennedy	Lieberman
Graham (FL)	Kerry	Murkowski

The bill (S. 113), as amended, was passed, as follows:

The title was amended so as to read:

To amend the Foreign Intelligence Surveillance Act of 1978 to cover individuals, other than United States persons, who engage in international terrorism without affiliation with an international terrorist group.

EXECUTIVE SESSION

NOMINATION OF JOHN G. ROBERTS, JR., OF MARYLAND, TO BE UNITED STATES CIRCUIT JUDGE FOR THE DISTRICT OF COLUMBIA CIRCUIT

Mr. HATCH. I ask unanimous consent that the Senate immediately proceed to executive session to consider the nomination of John Roberts, to be a circuit judge for the DC Circuit.

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

Mr. HATCH. Mr. President, I am pleased that we are considering the nomination of John Roberts, who has been nominated by President Bush to serve on the United States Court of Appeals for the District of Columbia.

Mr. Roberts was first nominated to this post by President George H.W. Bush in 1992. He has been nominated for this post by two different Presidents on three separate occasions, and has waited more than 11 years for his confirmation, so I am glad to see that this day has finally come when we can expect a vote by the full Senate on his nomination.

Mr. Roberts has exceptional experience as a Supreme Court and appellate advocate. He has argued an astounding 39 cases before the Supreme Court and has argued in every Federal circuit court of appeals. His Supreme Court practice consists of seeking and opposing Supreme Court review, preparing amicus curiae briefs, and helping to prepare other counsel to argue before the Court. His clients have included large and small corporations, trade organizations, nonprofit organizations, States, and individuals.

Mr. Roberts is one of the most accomplished and brilliant legal minds that I have seen in my 27 years as a member of the Senate Judiciary Committee. Not surprisingly, the ABA awarded him its highest possible rating of unanimously well-qualified. He is widely regarded as one of the best appellate attorneys of his generation. After reviewing his legal accomplishments it is easy to see why his colleagues have such respect and admiration for him. I would like to read excerpts from a few of the many letters his colleagues have sent the committee discussing his professionalism, character, and open-mindedness.

The first letter is from 156 members of the Bar of the District of Columbia, including such legal powerhouses as Boyden Gray, who was counsel to the first President Bush, and Lloyd Cutler, who was counsel to President Carter and Clinton. The letter states:

> Although, as individuals, we reflect a wide spectrum of political party affiliation and ideology, we are united in our belief that John Roberts will be an outstanding federal court of appeals judge and should be confirmed by the United States Senate. He is one of the very best and most highly respected appellate lawyers in the nation, with a deserved reputation as a brilliant writer and oral advocate. He is also a wonderful professional colleague both because of his enormous skills and because of his unquestioned integrity and fair-mindedness. In short, John Roberts represents the best of the bar and, we have no doubt, would be a superb federal court of appeals judge.

The committee also received a letter signed by 13 of his former colleagues at the Office of the Solicitor General. The letter states:

> Although we are of diverse political parties and persuasions, each of us is firmly convinced that Mr. Roberts would be a truly superb addition to the federal court of appeals. As the Committee will doubtless hear from many quarters, John is an incomparable appellate lawyer. Indeed, it is fair to say that he is one of the foremost appellate lawyers in the country. . . . The Office then, as now, comprised lawyers of every political affiliation—Democrats, Republicans, and Independents. Mr. Roberts was attentive to and respectful of all views, and he represented the United States zealously but fairly. He had the deepest respect for legal principles and legal precedent—instincts that will serve him well as a court of appeals judge.

Now I would like to make a few comments about Mr. Roberts's impressive background. He entered Harvard College with sophomore standing, where he earned a bachelor's degree in history, summa cum laude, then a law degree, magna cum laude. While in law school, he was an editor of the Harvard Law Review.

Following graduation, Mr. Roberts clerked for Judge Henry Friendly on the Second Circuit and for then-Justice William Rehnquist on the Supreme Court. His public service career included terms as Associate Counsel to President Reagan and Principal Deputy Solicitor General. He currently heads the appellate practice group for the prestigious DC law firm Hogan and Hartson, where his practice has focused on Federal appellate litigation.

Mr. Roberts has been involved with a variety of high-profile and significant legal cases. He has argued on different sides of a variety of different issues, firmly establishing his reputation as a lawyer's lawyer.

Beyond being considered by many to be one of the premier Supreme Court litigators of his generation, the record of John Roberts establishes that he is undeniably mainstream and fair. In fact, while in private practice Mr. Roberts has repeatedly been hired by Democratic public officials and has repeatedly argued what many consider to be the so-called liberal side of cases.

In protecting the environment during the 2002 case of Tahoe-Sierra Preservation Council v. Tahoe Regional Planning Agency, Mr. Roberts successfully argued in the U.S. Supreme Court, on behalf of a State regulatory agency, in favor of limits on property development and in support of protection of the pristine Lake Tahoe Basin area. Environmental groups hailed the majority decision, saying it would help protect America's countryside from suburban sprawl.

In supporting consumer rights during the 2001 landmark Microsoft antitrust case, Mr. Roberts argued on behalf of the Clinton Department of Justice and a group of primarily Democratic State attorneys general that Microsoft's business practices violated the Sherman Act.

In addition, Mr. Roberts has devoted much of his time to pro bono work. For instance, he represented a class of District of Columbia residents receiving welfare benefits, arguing that a particular change in eligibility standards that resulted in a termination of welfare benefits without an individual hearing denied class members procedural due process.

In another pro bono case, United States v. Halper, Mr. Roberts was invited by the Supreme Court to represent Mr. Halper, who had been previously convicted under Federal criminal law for filing false Medicaid claims.

He successfully argued that the Double Jeopardy Clause barred the imposition of civil penalties under Federal law against an individual who had been convicted and punished under criminal law for the same conduct.

Mr. Roberts also participates extensively in the pro bono program of his firm, assisting his colleagues prepare pro bono appeals on matters such as termination of parental rights, minority voting rights, noise pollution at the Grand Canyon, and environmental protection of Glacier Bay.

I have every confidence that Mr. Roberts will make a great addition to the DC Circuit. He is an exceptionally well-qualified jurist who has distinguished himself as one of the best in the legal profession. I am confident that Mr. Roberts will serve with distinction on the DC Circuit, and I ask for my colleagues' full support of his nomination.

Mr. President, I ask unanimous consent that the nomination be confirmed, the motion to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

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

The nomination considered and confirmed is as follows:

THE JUDICIARY

John G. Roberts, Jr., of Maryland, to be United States Circuit Judge for the District of Columbia Circuit.

Mr. HATCH. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. REID. It is my understanding that this judge has waited about 10 years. He has been nominated several times.

Mr. HATCH. He has waited 12 years, through three nominations, by two different Presidents.

Mr. REID. He is the 124th judge we have approved for the Bush administration. The record is 124 to 2.

Mr. HATCH. Keep in mind, as of tomorrow, those two will be waiting for 2 solid years. We need to get them done, too. I call on my colleagues on the other side to get rid of their wicked and evil ways and allow these people to have votes up and down.

Mrs. BOXER. I object.

Mr. HATCH. I heard an objection from the other side.

I yield the floor.

LEGISLATIVE SESSION

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

AIR CARGO SECURITY IMPROVEMENT ACT

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 76, S. 165, the air cargo security improvement bill.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 165) to improve air cargo security.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation, with amendments, as follows:

[Strike the part shown in black brackets and insert the part shown in italic.]

S. 165

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Air Cargo Security Improvement Act''.

SEC. 2. INSPECTION OF CARGO CARRIED ABOARD PASSENGER AIRCRAFT.

Section 44901(f) of title 49, United States Code, is amended to read as follows:

''(f) CARGO.—

''(1) IN GENERAL.—The Under Secretary of Transportation for Security shall establish systems to screen, inspect, or otherwise ensure the security of all cargo that is to be transported in—

''(A) passenger aircraft operated by an air carrier or foreign air carrier in air transportation or intrastate air transportation; or

''(B) all-cargo aircraft in air transportation and intrastate air transportation.

''(2) STRATEGIC PLAN.—The Under Secretary shall develop a strategic plan to carry out paragraph (1).''.

SEC. 3. AIR CARGO SHIPPING.

(a) IN GENERAL.—Subchapter I of chapter 449 of title 49, United States Code, is amended by adding at the end the following:

[''§ 44922. Regular inspections of air cargo shipping facilities]

''§ 44923. Regular inspections of air cargo shipping facilities

''The Under Secretary of Transportation for Security shall establish a system for the regular inspection of shipping facilities for shipments of cargo transported in air transportation or intrastate air transportation to ensure that appropriate security controls, systems, and protocols are observed, and shall enter into arrangements with the civil aviation authorities, or other appropriate officials, of foreign countries to ensure that inspections are conducted on a regular basis at shipping facilities for cargo transported in air transportation to the United States.''.

(b) ADDITIONAL INSPECTORS.—The Under Secretary may increase the number of inspectors as necessary to implement the requirements of title 49, United States Code, as amended by this subtitle.

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 449 of title 49, United States Code, is amended by adding at the end the following:

''**[44922].** *44923.* Regular inspections of air cargo shipping facilities''.

SEC. 4. CARGO CARRIED ABOARD PASSENGER AIRCRAFT.

(a) IN GENERAL.—Subchapter I of chapter 449 of title 49, United States Code, is further amended by adding at the end the following:

[''§ 44923. Air cargo security]

''§ 44924. Air cargo security

''(a) DATABASE.—The Under Secretary of Transportation for Security shall establish an industry-wide pilot program database of known shippers of cargo that is to be transported in passenger aircraft operated by an air carrier or foreign air carrier in air transportation or intrastate air transportation. The Under Secretary shall use the results of the pilot program to improve the known shipper program.

''(b) INDIRECT AIR CARRIERS.—

''(1) RANDOM INSPECTIONS.—The Under Secretary shall conduct random audits, investigations, and inspections of indirect air carrier facilities to determine if the indirect air carriers are meeting the security requirements of this title.

''(2) ENSURING COMPLIANCE.—The Under Secretary may take such actions as may be appropriate to promote and ensure compliance with the security standards established under this title.

''(3) NOTICE OF FAILURES.—The Under Secretary shall notify the Secretary of Transportation of any indirect air carrier that fails to meet security standards established under this title.

''(4) SUSPENSION OR REVOCATION OF CERTIFICATE.—The Secretary, as appropriate, shall suspend or revoke any certificate or authority issued under chapter 411 to an indirect air carrier immediately upon the recommendation of the Under Secretary. Any indirect air carrier whose certificate is suspended or revoked under this subparagraph may appeal the suspension or revocation in accordance with procedures established under this title for the appeal of suspensions and revocations.

''(5) INDIRECT AIR CARRIER.—In this subsection, the term 'indirect air carrier' has the meaning given that term in part 1548 of title 49, Code of Federal Regulations.

''(c) CONSIDERATION OF COMMUNITY NEEDS.—In implementing air cargo security requirements under this title, the Under Secretary may take into consideration the extraordinary air transportation needs of small or isolated communities and unique operational characteristics of carriers that serve those communities.''.

(b) ASSESSMENT OF INDIRECT AIR CARRIER PROGRAM.—The Under Secretary of Transportation for Security shall assess the security aspects of the indirect air carrier program under part 1548 of title 49, Code of Federal Regulations, and report the result of the assessment, together with any recommendations for necessary modifications of the program to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure within 45 days after the date of enactment of this Act. The Under Secretary may submit the report and recommendations in classified form.

(c) REPORT TO CONGRESS ON RANDOM AUDITS.—The Under Secretary of Transportation for Security shall report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure on random screening, audits, and investigations of air cargo security programs based on threat assessments and other relevant information. The report may be submitted in classified form.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the *Under* Secretary of Transportation *for Security* such sums as may be necessary to carry out this section.

(e) CONFORMING AMENDMENT.—The chapter analysis for chapter 449 of title 49, United States Code, as amended by section 3, is amended by adding at the end the following:

''**[**44923.**]** *44924.* Air cargo security''.

SEC. 5. TRAINING PROGRAM FOR CARGO HANDLERS.

The Under Secretary of Transportation for Security shall establish a training program

for any persons that handle air cargo to ensure that the cargo is properly handled and safe-guarded from security breaches.

SEC. 6. CARGO CARRIED ABOARD ALL-CARGO AIRCRAFT.

(a) IN GENERAL.—The Under Secretary of Transportation for Security shall establish a program requiring that air carriers operating all-cargo aircraft have an approved plan for the security of their air operations area, the cargo placed aboard such aircraft, and persons having access to their aircraft on the ground or in flight.

(b) PLAN REQUIREMENTS.—The plan shall include provisions for—

(1) security of each carrier's air operations areas and cargo acceptance areas at the airports served;

(2) background security checks for all employees with access to the air operations area;

(3) appropriate training for all employees and contractors with security responsibilities;

(4) appropriate screening of all flight crews and persons transported aboard all-cargo aircraft;

(5) security procedures for cargo placed on all-cargo aircraft as provided in section 44901(f)(1)(B) of title 49, United States Code; and

(6) additional measures deemed necessary and appropriate by the Under Secretary.

(c) CONFIDENTIAL INDUSTRY REVIEW AND COMMENT.—

(1) CIRCULATION OF PROPOSED PROGRAM.—The Under Secretary shall—

(A) propose a program under subsection (a) within 90 days after the date of enactment of this Act; and

(B) distribute the proposed program, on a confidential basis, to those air carriers and other employers to which the program will apply.

(2) COMMENT PERIOD.—Any person to which the proposed program is distributed under paragraph (1) may provide comments on the proposed program to the Under Secretary not more than 60 days after it was received.

(3) FINAL PROGRAM.—The Under Secretary of Transportation shall issue a final program under subsection (a) not later than 45 days after the last date on which comments may be provided under paragraph (2). The final program shall contain time frames for the plans to be implemented by each air carrier or employer to which it applies.

(4) SUSPENSION OF PROCEDURAL NORMS.—Neither chapter 5 of title 5, United States Code, nor the Federal Advisory Committee Act (5 U.S.C. App.) shall apply to the program required by this section.

SEC. 7. REPORT ON PASSENGER PRESCREENING PROGRAM.

(a) IN GENERAL.—Within 90 days after the date of enactment of this Act, the Secretary of Homeland Security, after consultation with the Attorney General, shall submit a report in writing to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure on the potential impact of the Transportation Security Administration's proposed Computer Assisted Passenger Prescreening system, commonly known as CAPPS II, on the privacy and civil liberties of United States Citizens.

(b) SPECIFIC ISSUES TO BE ADDRESSED.—The report shall address the following:

(1) Whether and for what period of time data gathered on individual travelers will be retained, who will have access to such data, and who will make decisions concerning access to such data.

(2) How the Transportation Security Administration will treat the scores assigned to individual travelers to measure the likelihood they may pose a security threat, including how long such scores will be retained and whether and under what circumstances they may be shared with other governmental, non-governmental, or commercial entities.

(3) The role airlines and outside vendors or contractors will have in implementing and operating the system, and to what extent will they have access, or the means to obtain access, to data, scores, or other information generated by the system.

(4) The safeguards that will be implemented to ensure that data, scores, or other information generated by the system will be used only as officially intended.

(5) The procedures that will be implemented to mitigate the effect of any errors, and what procedural recourse will be available to passengers who believe the system has wrongly barred them from taking flights.

(6) The oversight procedures that will be implemented to ensure that, on an ongoing basis, privacy and civil liberties issues will continue to be considered and addressed with high priority as the system is installed, operated and updated.

SEC. 8. MODIFICATION OF REQUIREMENTS REGARDING TRAINING TO OPERATE AIRCRAFT.

(a) ALIENS COVERED BY WAITING PERIOD.—Subsection (a) of section 44939 of title 49, United States Code, is amended—

(1) by resetting the text of subsection (a) after ''(a) WAITING PERIOD.—'' as a new paragraph 2 ems from the left margin;

(2) by striking ''A person'' in that new paragraph and inserting ''(1) IN GENERAL.—A person'';

(3) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(4) by striking ''any aircraft having a maximum certificated takeoff weight of 12,500 pounds or more'' and inserting ''an aircraft'';

(5) by striking ''paragraph (1)'' in paragraph (1)(B), as redesignated, and inserting ''subparagraph (A)''; and

(6) by adding at the end the following:

''(2) EXCEPTION.—The requirements of paragraph (1) shall not apply to an alien who—

''(A) has earned a Federal Aviation Administration type rating in an aircraft; or

''(B) holds a current pilot's license or foreign equivalent commercial pilot's license that permits the person to fly an aircraft with a maximum certificated takeoff weight of more than 12,500 pounds as defined by the International Civil Aviation Organization in Annex 1 to the Convention on International Civil Aviation.''.

(b) COVERED TRAINING.—Section 44936(c) of title 49, United States Code, is amended to read as follows:

''(c) COVERED TRAINING.—

''(1) IN GENERAL.—For purposes of subsection (a), training includes in-flight training, training in a simulator, and any other form or aspect of training.

''(2) EXCEPTION.—For the purposes of subsection (a), training does not include classroom instruction (also known as ground training), which may be provided to an alien during the 45-day period applicable to the alien under that subsection.''.

(c) PROCEDURES.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Attorney General shall promulgate regulations to implement section 44939 of title 49, United States Code.

(2) USE OF OVERSEAS FACILITIES.—In order to implement the amendments made to section 44939 of title 49, United States Code, by this section, United States Embassies and Consulates that have fingerprinting capability shall provide fingerprinting services to aliens covered by that section if the Attorney General requires their fingerprinting in the administration of that section, and transmit the fingerprints to the Department of Justice and any other appropriate agency. The Attorney General shall cooperate with the Secretary of State to carry out this paragraph.

(d) EFFECTIVE DATE.—Not later than 120 days after the date of enactment of this Act, the Attorney General shall promulgate regulations to implement the amendments made by this section. The Attorney General may not interrupt or prevent the training of any person described in section 44939(a)(1) of title 49, United States Code, who commenced training on aircraft with a maximum certificated takeoff weight of 12,500 pounds or less before, or within 120 days after, the date of enactment of this Act unless the Attorney General determines that the person represents a risk to aviation or national security.

(e) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Transportation and the Attorney General shall jointly submit to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure a report on the effectiveness of the activities carried out under section 44939 of title 49, United States Code, in reducing risks to aviation and national security.

SEC. 9. PASSENGER IDENTIFICATION.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Under Secretary of Transportation for Security, in consultation with the Administrator of the Federal Aviation Administration, appropriate law enforcement, security, and terrorism experts, representatives of air carriers and labor organizations representing individuals employed in commercial aviation, shall develop guidelines to provide air carriers guidance for detecting false or fraudulent passenger identification. The guidelines may take into account new technology, current identification measures, training of personnel, and issues related to the types of identification available to the public.

(b) AIR CARRIER PROGRAMS.—Within 60 days after the Under Secretary issues the guidelines under subsection (a) in final form, the Under Secretary shall provide the guidelines to each air carrier and establish a joint government and industry council to develop recommendations on how to implement the guidelines.

(c) REPORT.—The Under Secretary of Transportation for Security shall report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure within 1 year after the date of enactment of this Act on the actions taken under this section.

SEC. 10. PASSENGER IDENTIFICATION VERIFICATION.

(a) PROGRAM REQUIRED.—The Under Secretary of Transportation for Security may establish and carry out a program to require the installation and use at airports in the United States of the identification verification technologies the Under Secretary considers appropriate to assist in the screening of passengers boarding aircraft at such airports.

(b) TECHNOLOGIES EMPLOYED.—The identification verification technologies required as part of the program under subsection (a) may include identification scanners, biometrics, retinal, iris, or facial scanners, or any other technologies that the Under Secretary considers appropriate for purposes of the program.

(c) COMMENCEMENT.—If the Under Secretary determines that the implementation of such a program is appropriate, the installation and use of identification verification technologies under the program shall commence as soon as practicable after the date of that determination.

SEC. 11. BLAST-RESISTANT CARGO CONTAINER TECHNOLOGY.

Not later than 6 months after the date of enactment of this Act, the Under Secretary of Transportation for Security, and the Administrator of the Federal Aviation Administration, shall jointly submit a report to Congress that contains—

(1) an evaluation of blast-resistant cargo container technology to protect against explosives in passenger luggage and cargo;

(2) an examination of the advantages associated with the technology in preventing damage and loss of aircraft from terrorist action and any operational impacts which may result from use of the technology (particularly added weight and costs);

(3) an analysis of whether alternatives exist to mitigate the impacts described in paragraph (2) and options available to pay for the technology; and

(4) recommendations on what further action, if any, should be taken with respect to the use of blast-resistant cargo containers on passenger aircraft.

SEC. 12. ARMING PILOTS AGAINST TERRORISM.

(a) FINDINGS AND PURPOSE.—

(1) FINDINGS.—Congress makes the following findings:

(A) During the 107th Congress, both the Senate and the House of Representatives overwhelmingly passed measures that would have armed pilots of cargo aircraft.

(B) Cargo aircraft do not have Federal air marshals, trained cabin crew, or determined passengers to subdue terrorists.

(C) Cockpit doors on cargo aircraft, if present at all, largely do not meet the security standards required for commercial passenger aircraft.

(D) Cargo aircraft vary in size and many are larger and carry larger amounts of fuel than the aircraft hijacked on September 11, 2001.

(E) Aircraft cargo frequently contains hazardous material and can contain deadly biological and chemical agents and quantities of agents that caused communicable diseases.

(F) Approximately 12,000 of the Nation's 90,000 commercial pilots serve as pilots and flight engineers on cargo aircraft.

(G) There are approximately 2,000 cargo flights per day in the United States, many of which are loaded with fuel for outbound international travel or are inbound from foreign airports not secured by the Transportation Security Administration.

(H) aircraft transporting cargo pose a serious risk as potential terrorist targets that could be used as weapons of mass destruction.

(I) Pilots of cargo aircraft deserve the same ability to protect themselves and the aircraft they pilot as other commercial airline pilots.

(J) Permitting pilots of cargo aircraft to carry firearms creates an important last line of defense against a terrorist effort to commandeer a cargo aircraft.

(2) SENSE OF CONGRESS.—It is the sense of Congress that a member of a flight deck crew of a cargo aircraft should be armed with a firearm to defend the cargo aircraft against an attack by terrorists that could result in the use of the aircraft as a weapon of mass destruction or for other terrorists purposes.

(b) ARMING CARGO PILOTS AGAINST TERRORISM.—Section 44921 of title 49, United States Code, is amended—

(1) by striking ''passenger'' in subsection (a) each place that it appears;

(2) by striking ''or,'' and all that follows in subsection (k)(2) and inserting ''or any other flight deck crew member.''; and

(3) by adding at the end of subsection (k) the following:

''(3) ALL-CARGO AIR TRANSPORTATION.—For the purposes of this section, the term air transportation includes all-cargo air transportation.''.

(d) IMPLEMENTATION.—

(1) TIME FOR IMPLEMENTATION.—The training of pilots as Federal flight deck officers required in the amendments made by subsection (b) shall begin as soon as practicable and no later than 90 days after the date of enactment of this Act.

(2) EFFECT ON OTHER LAWS.—The requirements of subparagraph (1) shall have no effect on the deadlines for implementation contained in section 44921 of title 49, United States Code, as in effect on the day before the date of enactment of this Act.

SEC. 13. REPORT ON DEFENDING AIRCRAFT FROM MAN-PORTABLE AIR DEFENSE SYSTEMS (SHOULDER-FIRED MISSILES).

Not later than 90 days after the date of the enactment of this Act, the Secretary of Homeland Security shall issue a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure on how best to defend turbo and jet passenger aircraft from Man-Portable Air Defense Systems (shoulder-fired missiles). The report shall also include actions taken to date, countermeasures, risk mitigation, and other activities. The report may be submitted in classified form.

COMMITTEE AMENDMENTS WITHDRAWN

Mr. HATCH. I ask unanimous consent that the committee amendments be withdrawn.

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

AMENDMENT NO. 538

Mr. HATCH. I send a substitute amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON], for Mr. MCCAIN, Mr. HOLLINGS, Mrs. HUTCHISON, and Mrs. BOXER, proposes an amendment numbered 538.

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

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

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. MCCAIN. Mr. President, I am pleased that the Senate is considering S. 165, the Air Cargo Security Act. When Congress acted in the aftermath of the September 11, 2001 attacks, its focus was on passenger screening. The Aviation and Transportation Security Act set out a template for the screening of passengers and baggage. We deferred dealing with cargo carried on passenger airlines and on all-cargo aircraft until a review of cargo security could be undertaken. S. 165 is designed to bolster air cargo security and provides further guidance and authority to the Transportation Security Administration—TSA—to ensure continued improvement in these areas.

Let me say at the outset that Senator HUTCHISON has worked very hard on this bill and deserves a great deal of credit. Although this issue was one that everyone believed was very important, she and Senator SNOWE introduced cargo security bills during the second session of last congress. Those bills became a base for the cargo security provisions in last year's S. 2949, the Aviation Security Improvement Act, which passed the Senate, but was not passed by the House. Senator HUTCHISON and Senator FEINSTEIN reintroduced the air cargo provisions from last year as a stand alone bill this year.

Cargo security is one area in which we can and should be proactive to address potential problems and vulnerabilities head on. I note that TSA is already looking at improving cargo security under its mandate in ATSA.

S. 165 requires the TSA to develop a strategic plan to ensure that all air cargo is screened, inspected, or otherwise made secure. Up until now, there has been no consistent oversight in this area and this plan will ensure the continued safety of air cargo.

In addition, TSA is to develop a system for the regular inspection of air cargo shipping facilities. This will ensure that all regulations are being followed and that these shipping facilities are meeting all of their federal security requirements.

TSA is required to establish a database of known shippers in order to further improve the Known Shipper Program. This is in response to concerns expressed by the DOT Inspector General that the existing Known Shipper Program needed some revisions to ensure the continued safety in air cargo.

S. 165 also requires that the existing Federal security plans for indirect air carriers is reviewed and it gives TSA the power to take enforcement actions against indirect air carriers if TSA finds that they are not adhering to security laws or regulations. This enforcement power will ensure that these freight forwarders have the appropriate safeguards in place and are meeting them.

S. 165 also requires all-cargo carriers to develop a security plan that is subject to approval by TSA to ensure that air cargo carried on these carriers is properly screened and protected from tampering. As a part of this requirement, TSA is to develop a security training program for persons who handle air cargo.

Finally, the managers' amendment to S. 165 makes a couple of changes to the bill approved by the Commerce Committee. At the time of Committee consideration, we were working with the TSA on a number of their technical comments. We were unable to complete these efforts prior to the markup. These have now been worked-out and are included.

The Commerce Committee also adopted an amendment offered by Senator NELSON of Florida that extends the Federal Government's oversight of foreign students receiving flight training in the United States. Some members of the committee expressed concern that the requirements of the amendment would be too onerous on flight schools and Senator NELSON agreed to work on these issues. A compromise has been developed that met the concerns of both sides and is included in the amendment.

I urge the Senate to approve this bill that will strengthen the security of our cargo aviation system.

I also note my friend, Senator BOXER from California, continues to be heavily involved in the issue of protecting

our airliners from the possibility of a missile attack. I thank her for her efforts in that direction. I am encouraged by the information she has given to me that the TSA apparently is very serious in working on this threat to the security of aviation.

I again thank my friend from Texas for her outstanding work on this issue and I think it lays out a very reasonable but very important template for ensuring the security of our cargo aircraft, the same way as we worked together on that of commercial airliners.

I thank my colleague, I thank all who were involved in this very important issue, and I yield the floor.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, Senator HOLLINGS asked me if I would be the Democratic manager here. I want to say to Senator HUTCHISON, thank you so much for all your hard work. I also thank Senator HOLLINGS and Senator ROCKEFELLER, Senator WYDEN—frankly, the whole committee. This is one committee that does work on a bipartisan basis and it is very refreshing, I might say.

S. 165 takes needed steps to respond to concerns that have been raised about the status of air cargo security in the U.S., and will act to close a loophole that has left our aviation system vulnerable to a terrorist attack.

Last year, Admiral James Loy, the Under Secretary of Transportation for Security, expressed his concern, in testimony before the Senate Commerce Committee, that air cargo security needed to be strengthened or it would remain a potential backdoor open for terrorists to exploit. These concerns are well-founded as, prior to September 11, 2001, the Department of Transportation Inspector General's—DOT IG—Office had confirmed that it was possible to ship dangerous items on aircraft without ever having the contents of packages screened. Since the terrorist attacks of 9–11, significant changes have occurred to the cargo industry in response to this security loophole, but more must be done. Last year, the Senate passed a comprehensive cargo security bill, but time ran out on the 107th Congress before the House could properly consider it. We need to pass S. 165 now, and make certain the foundation for addressing this matter is put into law.

S. 165 will instruct the Transportation Security Administration—TSA—to establish an inspection program for all cargo that is transported through the Nation's air transportation system. The bill includes language from the legislation which passed in the Senate last year requiring the creation of an industry-wide database of known shippers of cargo on passenger aircraft and an assessment of the current indirect air carrier program, random inspections of indirect air carrier facilities, and a report to Congress on the random audit system. In addition, S. 165 authorizes the appropriation of necessary sums for TSA to carry out an air cargo security program, and mandates the development of a training program for all air cargo handlers.

We have come close to closing the loopholes in cargo security before, but the process must be completed. This issue is critical to the future of aviation security, air travelers and our economy. Congress should act now to pass this legislation before a tragic, avoidable incident forces our hand.

I close by thanking the committee for adding actually four amendments that we worked on. I thank my staff for working so hard on this as well.

First of all, we have in this bill made sure the cargo pilots have the same opportunity to protect the cockpit as pilots in commercial planes. They are going to be part of this program now. I am very pleased about that.

Second, there is a study in here on the best way to proceed on blast-resistant containers. I have seen Kevlar material which will contain a bomb blast so that it doesn't wreak havoc and cause a horrible tragedy. So we are looking at that.

Third, something that Senator MCCAIN mentioned, we have included a study to look at the best defense for shoulder-fired missiles. During the break, I went to San Diego and I stood on the roof of a parking garage at the airport and, believe me, I felt like I could touch the aircraft as they came in for a landing. I looked around and realized this is a great vulnerability. Many terrorist groups have these shoulder-fired missiles, or they can buy them for as little as $8,000. We have defenses we have on Air Force One, on military planes, with which El Al has their fleet protected. We need to protect our fleet.

We have a study in this particular bill just in case the study that is going on via the supplemental emergency bill gets bogged down. So it is a backup.

Last, I was very concerned to learn fake IDs are very easy to use, when you check into an airport. We have a study here to come up with a plan on how to use high technology to spot a fake ID.

I am very pleased to be here. Again, I thank Senator HOLLINGS for giving me this honor to express my support. I believe we are going to have a voice vote. I am very happy about it and I look forward to seeing this bill become law.

With that, I yield the floor. I know my friend from Texas, the author of this bill, has a good deal to say about this important piece of legislation.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, the Air Cargo Security Act will make such a difference in our Nation's air security. I think we have done a lot since 9/11. Since the 9/11 attacks, we have made tremendous progress in transportation security. We have created a new Department of Homeland Security. We have established the Transportation Security Agency and invested heavily in personnel and equipment. However the one thing we have not done in the same way that we have protected the top of the airplane and the airport, is that we have not yet secured the belly of the aircraft. This is where the cargo is shipped. That is what the bill we are passing today would do.

The Air Cargo Security Act would establish a reliable known-shipper program, mandate inspections of cargo facilities, direct the Transportation Security Agency to work with foreign countries to have regular checks at facilities that bring cargo into the United States. The legislation develops a training program for air cargo handlers, and give TSA the power to revoke the license of a shipper or freight forwarder whose practices are unsound.

As the Senator from California mentioned, her amendment will allow cargo pilots to participate in the same security training as airline pilots and the legislation will require background checks for all noncitizens who would undergo flight training. These are just a few of the provisions that I think will go a long way to securing the entire aircraft and our country.

I think we have seen a dramatic improvement in the safety of our aircraft and our airports.

I want to make sure that America has the safest aviation system in the world. I think we can do it. This air cargo bill will make a difference. This bill passed the Senate last year, and I hope very much that the House will pass the bill this year and the President will sign it. Then we will give TSA the authority it needs to do this very important work.

Today, there is no doubt in my mind that the traveling public is considerably safer than we were on September 10, 2001. That is important to recognize. Our screeners undergo background checks, training and testing. Checked bags are scrutinized. Flight crew training has been improved. We all are traveling under a more secure system.

While our efforts in the 107th Congress have dramatically enhanced security, we in the 108th must continue to strive for seamless operations. This responsibility includes closing the cargo security loophole. It makes no sense to inconvenience airline passengers with security screening and baggage checks if we do not establish controls over the cargo traveling in the belly of the same plane. Currently, twenty-two percent of all air cargo in the U.S. is carried on passenger flights, only a tiny fraction of which is inspected. That is inexcusable.

Last year, Senator FEINSTEIN and I commissioned a GAO report on the security of our existing air cargo system, and the Commerce Committee held a closed hearing on this issue. The report reveals some very troubling facts. Security considerations prevent the report from getting too specific. But the GAO found that air cargo is vulnerable to theft and tampering while it is in

transit, and while it is in supposedly secure cargo facilities.

According to the report, identification cards used by cargo workers are generally not secured with fingerprints or other biometric identifiers. They can be counterfeited. Background checks for cargo employees are inadequate.

Perhaps the weakest link in the cargo security chain is the freight forwarder. These are the middlemen who collect cargo from shippers and deliver it to the air carrier. Regulations governing these companies are lax, and the TSA is finding security violations as it conducts inspections. Under current law, however, TSA lacks the authority to revoke the shipping privileges of freight forwarders that repeatedly violate security and procedural rules. The Air Cargo Security Act gives TSA that power.

Air cargo security is not a new problem. In 1988, Pan Am 103 went down over Lockerbie, Scotland because of explosives planted inside a radio in the cargo hold of a passenger airplane. The 1996 Valujet crash in the Everglades was caused by high-pressure tanks that never should have been place aboard a passenger aircraft.

This legislation will strengthen air cargo security on all commercial flights. Specifically, this bill establishes a more reliable known shipper program by requiring inspections of facilities, creating an accessible shipper database, and providing for tamper-proof identification cards for airport personnel. It also gives the TSA the tools required to hold shippers accountable for the contents they ship by allowing the administration to revoke the license of a shipper or freight forwarder engaged in unsound or illegal practices.

This Air Cargo Security Act also requires the TSA to develop a comprehensive training program for cargo professionals as well as an approved cargo security plan. The rules and procedures in this bill were developed in consultation with the TSA, the airlines, and the cargo carriers to ensure that the requirements are aggressive, but will not cause hardship to an already-stressed industry. In 2001, cargo accounted for about $13 billion, or 10 percent, of the passenger airlines' total revenue.

I helped craft the assistance package set forth in the recent Supplemental Appropriations bill, and I applaud the way the unions have stepped to the plate and engaged in good faith negotiations to relieve financial stress on the carriers. I will fight to protect the one million aviation-related jobs nationwide. However, the aviation industry can never afford another 9/11. Air cargo is the largest loophole left in our aviation security network. It must be closed.

We will oversee the bill's implementation to ensure that it is accomplished with a minimum of expense to our critical, yet endangered aviation industry.

To strengthen air cargo security and passenger safety, I urge my collegues to support the Air Cargo Security Act.

I thank all of my colleagues for their support. I thank the chairman of the committee, Mr. MCCAIN, and all of those who worked with me on this. I think we are doing a great job. Senator LOTT, the chairman of the Aviation Subcommittee, has worked with me on this. We have worked with the airlines. We don't want to burden the airlines at this time because they have had many shocks to their system. So we have worked with them to make sure that the actions we take are done in a responsible way.

I ask my colleagues for their support.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, before she leaves the floor, let me commend our colleague from Texas, Senator HUTCHISON, who has spent an enormous amount of time on this issue. It has been particularly helpful to this Senator as I worked on some of the privacy issues I will be discussing. I thank my colleague for all of her good work.

Earlier this year I spoke on the floor about what I think has been the most important privacy issue of our time. That is the proposal for what is known as the Total Information Awareness Program. This would constitute the biggest surveillance program in American history. In the U.S. Senate, Senators INOUYE, STEVENS, and FEINSTEIN have been working on a bipartisan basis with our colleagues in both political parties. We put in place sensible restrictions so as to ensure accurate congressional oversight.

What we called for was a requirement that first there be a report by the proponents of the program and the agencies involved on how the program would work.

Second, there is a requirement that to deploy any of the technology under the Total Information Awareness Program, there would have to be explicit congressional approval. This was a momentous step for the Senate to pass this legislation unanimously.

I am rising today to discuss what I think is yet another very significant privacy question which is an issue that needs debate in committee on this particular bill: the air cargo security legislation. The air cargo security legislation includes a proposal that I offered regarding what is known as CAPPS II, the passenger prescreening system that the Transportation Security Administration is developing. This program would do a computer search on each airline passenger to determine who should be subject to more careful security screening and, in some cases, who shouldn't be allowed to get on a plane.

All of us in the U.S. Senate understand that it is critically important to protect the security and safety of those who fly, and we certainly want to look at ways to do it that are smart and, particularly, target resources in an efficient way. But to set up a system that seeks information on each and every aircraft traveler and uses that system to assign scores to every individual—a score as to who might possibly be a threat—does raise some very significant privacy questions for the Senate.

The American people will want to know whether that system is narrowly limited for a specific purpose or whether it would become an all-purpose electronic snooping system. The public wants to know whether there are accurate safeguards to be sure the system won't be abused and sound procedures to provide passengers with the means to address mistakes.

Verbal assurances that these technologies will be used only on ''lawfully collected information'' are not enough. For one thing, ''lawfully collected information'' can include almost anything—my medical information, financial information, the books I have read, places I have visited. This same information—for each of my distinguished colleagues and millions of law-abiding citizens—can also be ''lawfully collected.''

In order to protect our civil liberties and right to privacy, Congress must be fully and publicly briefed on these types of new technological efforts.

As the New York Times editorial page said earlier this year, identifying travelers who may pose a terrorist threat is ''a worthy goal'' but also ''raises serious privacy and due process concerns, which the government needs to address in a forthright manner.'' I ask unanimous consent that the text of this article be printed in the RECORD.

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

[From the New York Times, Mar. 11, 2003]

THE NEW AIRPORT PROFILING

Having successfully fielded thousands of newly minted federal agents to screen air travelers and their luggage, the Transportation Security Administration is now turning to a far more controversial endeavor. The agency is developing a sophisticated screening system designed to identify travelers who may pose a terrorist threat.

It is a worthy goal—one ordered up by Congress—but the creation of a highly intrusive federal surveillance program raises serious privacy and due process concerns, which the government needs to address in a forthright manner.

The notion of electronic profiling is not new. Using such criteria as whether a passenger paid cash for a ticket, a rudimentary system designed in the mid-1990's helped airlines flag passengers deserving heightened scrutiny. What that usually meant was that their checked luggage was carefully inspected. Some of the Sept. 11 hijackers were reported to have been picked out by that system, but it did little good since they did not check any bags.

The new profiling system is a quantum leap. In addition to evaluating certain travel-related behavior and looking for passenger names on watch lists, the new system will give the transportation agency access to numerous public and private databases the moment a passenger books a flight. Exactly which ones has not yet been determined, but

they may include the records of Department of Motor Vehicle offices, banks and credit-rating agencies.

After the program is in place, which could be as early as the end of this year, the Transportation Security Administration will assign each passenger a risk level: green, yellow or red. Travelers will not be informed of their designations, which will be encrypted onto their boarding passes. The T.S.A. says it is mindful of the obvious privacy concerns raised by such a system, though it points out that it will not be amassing new databases, but rather mining ones already used routinely to profile consumers. The agency says it is not interested in knowing whether you bounced a check five years ago, or whether you have paid your parking tickets, but in authenticating your identity.

Privacy principles are not necessarily sacrosanct, but this plan runs the risk of overreaching. For one thing, it could quickly lead to mistaken actions based on inaccurate information.

More worrisome is the possibility that this system could grow into a runaway vacuum cleaner, sweeping up all manner of data that can then be misused by the government. Congress recently put the brakes on the Pentagon's Total Information Awareness project, a dangerously uncontrolled program that was designed to track the activities of millions of Americans. Lawmakers must ensure that the transportation agency's profiling system does not become an all-purpose equivalent.

Mr. WYDEN. Mr. President, this article identifies the issue with respect to travelers. I spoke about those who may pose a terrorist threat. It is a worthy goal. But I also said that this issue raises serious privacy concerns which the government needs to address in a forthright way, and addressing privacy concerns in a forthright manner is what the legislation now does as a result of the amendment involving this passenger prescreening program.

What you are going to have under the legislation now is a chance to get the key questions answered with respect to how this program would work. It is my intention that the information with respect to how this program would work would be available for public scrutiny as well.

I met with those at the TSA who spearhead this passenger prescreening program. They certainly raise a number of issues with respect to privacy protections which they would like to include. But at this point, the only written information that we have on CAPPS II was published in the Federal Register on January 15 of this year.

That program outlines a broad-based initiative that would house records such as ''risk assessment reports,'' financial and transactional data, public source information, proprietary data, and information from law enforcement and intelligent sources.

This broad array of information may then be disclosed to ''Federal, State, territorial, tribal, local, international, or foreign agencies.'' Suffice it to say, based on the Federal Register description on January 15, 2003, the public is concerned about how this kind of program is going to work.

Clearly, our country wants to fight terrorism ferociously. We want to take the steps necessary to protect our airline passengers. But something which is as sweeping and as broad as the proposal that was outlined in the Federal Register for screening airline passengers certainly ought to give the American people and the U.S. Senate pause.

I think it is important that the public not be kept in the dark on this issue. That is why the legislation on the program which I was able to include in the air cargo security bill is important. It is going to bring some sunshine to this issue—some long overdue sunshine.

I hope my colleagues will continue to work with me and others in a bipartisan basis on the privacy issues. We made very significant progress with respect to the limitations that were put on the Total Information Awareness Program. The effort that is now underway with respect to screening airline passengers presents some other very significant privacy issues. We ought to continue to make sure that as we take steps to protect the public safety, we remember that it is critically important to protect privacy rights and civil liberties. We now are making an effort to do that in the air cargo security legislation.

I urge my colleagues to support the bill tonight.

I yield the floor.

The PRESIDING OFFICER (Mr. VOINOVICH). Without objection, the amendment is agreed to.

The amendment (No. 538) was agreed to.

Mr. ROCKEFELLER. Mr. President, I rise in support of S. 165, the Air Cargo Security Improvement Act. This legislation is another critical piece in our ongoing efforts to increase the security of our aviation system. I commend my colleagues, Senator HUTCHISON and Senator FEINSTEIN, for their continued leadership on this critical issue.

Over the past 18 months, we have worked every day to improve security in our airports and on our airplanes. While we set in place unprecedented improvements in aviation security, clear gaps remain. Today's legislation is aimed at filling security gaps in the vast and economically vital air cargo network by providing the Transportation Security Administration and related security agencies with the authority and resources they need to implement new air cargo security requirements.

This important legislation, which passed the Senate last year as part of S. 2949, the Aviation Security Improvement Act, requires TSA to establish a system to screen, inspect, or otherwise ensure security of all cargo transported by air and to establish a system for regular inspection of airport and cargo shipping facilities. Unfortunately, the House of Representatives did not act on this legislation last year. Improving the security of our nation's air cargo system must be addressed this year, and I am pleased that the Senate has acted quickly to pass this vital legislation again in the 108th Congress.

The Air Cargo bill would take several steps to improve the security of air cargo. The bill requires the Transportation Security Agency, TSA, to develop a strategic plan to ensure that all air cargo is screened, inspected, or otherwise made secure. TSA would also be required to develop a system for the regular inspection of air cargo shipping facilities, the establishment of a database of known shippers, companies and persons that regularly ship cargo, in order to bolster the Known Shipper Program, and review and assess the existing federal security program for freight forwarders, companies that accept and consolidate freight and tender it to an all cargo or passenger carrier for air shipment. The bill allows TSA to revoke the certificates of freight forwarders if the agency finds that they are not adhering to security laws or regulations.

The legislation also mandates that TSA develop a security training program for persons who handle air cargo and all cargo carriers would be required to develop security plans that would be subject to approval by TSA.

During the Commerce Committee's consideration of the legislation a number of important amendments offered by Senators WYDEN, BOXER, and BILL NELSON were adopted that strengthened the bill.

These provisions included requiring Secretary of Homeland Security to report to Congress on the impact on the privacy and civil liberties of the Computer Assisted Passenger Prescreening System, requiring background checks of alien flight school applicants to include applicants for flight training of planes below 12,500 pounds, and to transfer these responsibilities from the Department of Justice to the Transportation Security Administration, and requires guidelines for verifying passenger identification.

The Committee also adopted provisions to have the FAA and TSA conduct a study on blast-resistant cargo containers, allowing cargo pilots to participate in the Federal Flight Deck Officer program, and requiring the Department of Homeland Security to issue a report on how best to defend passenger aircraft from shoulder-fired missiles.

The Air Cargo Security Improvement Act is another important step in our efforts to improve our nation's aviation security network, but it is by no means the final step. I spend countless hours each week as part of my duties on the Intelligence Committee and we all recognize that the changing nature of threats will require continued vigilant oversight and modifications to our security network. There are no guarantees, but we can and must continue to work every day to make sure that the people who fly and the places they fly from are safe.

Mr. NELSON of Florida. Mr. President, I rise in support of S. 165 the Air Cargo Security Improvement Act.

This legislation is another important step toward fully protecting the United States and all Americans from terrorists who intend to use our aviation system to commit future attacks.

Among other provisions, including the creation of a security program to protect our air cargo from terrorist attacks, this bill mandates crucial studies on blast resistant cargo containers, the Transportation Security Administration's passenger screening program known as CAPPS II, and most importantly, how to defend our airliners from shoulder missile attacks similar to the attack last December on an Israeli charter jet in the skies over Kenya.

We must continue to be vigilant in protecting our Nation. This legislation addresses a deep concern of mine regarding foreign citizens coming to the United States to receive pilot training on all sizes of aircraft. Unfortunately, we have seen what can happen when people come to our country with the specific intent to do us great harm. Many of the September 11 hijackers learned to fly the planes they used as deadly weapons at flight schools here in the United States.

Section 113 of the Aviation and Transportation Security Act, which was enacted in the 107th Congress, requires background checks of all foreign flight school applicants seeking training to operate aircraft weighing 12,500 pounds or more. While this provision should help prevent September 11th-style attacks by U.S.-trained pilots using hijacked jets in the future, it does nothing to prevent different types of potential attacks against our domestic security. To rectify this problem, I introduced S. 236 together with Senators CORZINE, ENZI, FEINSTEIN, and THOMAS earlier this year.

The FBI has issued terrorism warnings indicating that small planes might be used to carry out suicide attacks. Small aircraft can be used by terrorists to attack nuclear facilities, carry explosives, or deliver biological or chemical agents. For example, if a crop duster filled with a combination of fertilizers and explosives were crashed into a filled sporting event stadium, thousands of people could be seriously injured or killed. We cannot allow this to happen. We need to ensure that we are not training terrorists to perform these activities. We cannot allow critical warnings to go unheeded.

This bill will close an important loophole and answer the critical warnings issued by the FBI by extending the background check requirement to all foreign applicants to U.S. flight schools, regardless of the size aircraft they seek to learn to fly. It also transfers the entire security background check program from the Department of Justice to the Department of Homeland Security, specifically to the Transportation Security Administration. It is my expectation that the Transportation Security Administration, which provided excellent advice in the fine tuning of this legislation, will apply a stringent level of background screening to all foreign nationals who seek flight training here in the United States. We cannot allow anyone to slip through the cracks. We cannot aid anyone who intends to do harm to Americans and to our Nation.

I thank the distinguished chairman and ranking member of the Commerce Committee, Senators MCCAIN and HOLLINGS, and their staffs, for working with me to ensure inclusion of this provision in the bill.

Mrs. FEINSTEIN. Mr. President, I thank Senator HUTCHISON for her work on the Air Cargo Security Act. Last year this bill passed the Senate and I look forward to passing this legislation again today. Hopefully the House will take up this legislation promptly and send it to the President's desk.

Earlier this year Senator HUTCHISON and I released a report from the General Accounting Office that demonstrates why the Congress and the Transportation Security Administration must—together—move quickly to shore up our vulnerabilities to protect against another terrorist attack.

I strongly believe that we must increase our defenses across the board to anticipate the next attack, not just correct the vulnerabilities that were already exploited by terrorists on September 11.

After September 11, Congress moved quickly to federalize the airport security screening workforce to prevent more hijackings, but we have not done enough to increase our air cargo security.

The General Accounting Office report shows that Congress must require the TSA to develop a strategic plan to screen and inspect air cargo to protect our Nation's air transportation system. According to this report, our air cargo system remains vulnerable to a terrorist attack because:

First, there aren't enough safeguards in place to ensure that someone shipping air cargo under the ''known shipper'' program has taken the proper steps to protect against use by terrorists;

Second, cargo tampering is possible at various points where cargo transfers from company to company;

Third, air cargo handlers are not required to have criminal background checks, and they do not always have their identification verified;

Fourth, and most importantly, most cargo shipped by air is never screened.

To address these problems, the GAO recommends that the Transportation Security Administration develop a comprehensive plan for improving air cargo security.

The air cargo legislation we are passing today, directs the TSA to: Develop a strategic plan to ensure the security of all air cargo; establish an industrywide pilot program database of known shippers; set up a training program for handlers to learn how to safeguard cargo from tampering; and inspect air cargo shipping facilities on a regular basis.

The Aviation Security Act Congress passed after September 11 required the Transportation Security Administration to screen and inspect air cargo ''as soon as practicable.'' The GAO report shows we cannot wait any longer. The time is now for the Senate to again take up this legislation, again pass this legislation, and for the TSA to prevent terrorists from tampering with the cargo loaded into the underbelly of our airplanes.

The General Accounting Office recommends that the Under Secretary for Transportation develop a comprehensive plan for air cargo security that includes priority actions identified on the basis of risk, costs, deadlines for completing those actions, and performance targets.

The TSA has a great deal of options at its disposal. The TSA could: Screen air cargo for explosives; secure cargo with high-tech seals; control access to holding areas containing cargo; use cargo tracking systems; install more cameras in cargo areas at airports; use blast resistant containers; have more bomb-sniffing dogs; put cargo in decompression chambers before loading it onto an aircraft; require the identity of people making air cargo deliveries to be checked; establish an industrywide computer profiling system; require criminal background checks for employees at freight forwarders and consolidators; and require third party inspections.

We do not expect the TSA to X-ray and scan all cargo for explosives because shippers and carriers would be able to process only 4 percent of cargo received daily, which would severely disrupt the air cargo industry. However, the Federal Government can deploy a combination of the techniques I have listed to implement a comprehensive security plan for air cargo.

Since one half of the hull of each passenger aircraft is typically filled with cargo and 22 percent of all cargo transported by plane is loaded on passenger flights, I believe air cargo security is just as important as passenger security. In fact, you cannot keep passengers safe without stronger air cargo security.

Each time there is a major jet crash or bombing, we reexamine our aviation security. I hope it will not take another accident or attack for us to finally pass this legislation into law.

I thank Senator HUTCHISON, Senator MCCAIN, and Senator HOLLINGS for their leadership on this issue of transportation security, and I look forward to this bill being signed into law.

Ms. SNOWE. Mr. President, I rise today in support of legislation before the Senate that addresses what I feel is one of the most glaring loopholes in our homeland security net: that of the lax air cargo security infrastructure in our country.

In 2001, with the passage of the Aviation and Transportation Security Act,

we reinvented aviation security. We overturned the status quo, and I am proud of the work we did. We put the Federal Government in charge of security and we have made significant strides toward restoring the confidence of the American people that it is safe to fly. We no longer have a system in which the financial ''bottom line'' interferes with protecting the flying public. We also addressed the gamut of critical issues, including baggage screening, additional air marshals, cockpit security, and numerous other issues.

There is more work to be done. We must not lose focus, and we must maintain a continuity of commitment. If we are to fulfill our obligations to confront the aviation security challenges we face in the aftermath of September 11, we must remain aggressive. We need a ''must-do'' attitude, not excuses about what ''can't be done,'' because we are only as safe as the weakest link in our aviation security system.

I am a strong supporter of legislation that we are considering today, the Air Cargo Security Act, a bill intended to strengthen the air cargo security system in this country. According to the GAO, a full 22 percent of all the cargo shipped by air in this country in 2000 was shipped on passenger flights—and half of the hull of a typical passenger plane is filled with cargo. The Department of Transportation Inspector General has recommended that current air cargo controls be tightened, particularly the process for certifying freight forwarders and assessing their compliance with security requirements, and has warned that the existing screening system is ''easily circumvented.'' This must not be allowed to stand.

Moreover, according to a Washington Post report last year, internal TSA documents warn of an increased risk of an attack designed to exploit this vulnerability because TSA has been focused primarily on meeting its new mandates to screen passengers and luggage. This is clear evidence that cargo security needs to be bolstered. And time is not on our side.

At many of the Senate Commerce Committee's aviation security hearings since 9/11, I have expressed concern about the significant outstanding air cargo security issues that we face. On January 23, I introduced legislation which would require TSA to put together a comprehensive air cargo security plan. And while TSA was developing their plan, my bill mandated that interim security measures be put into place, which include random cargo screening, greater scrutiny of shippers and a training regime for air cargo handlers.

The bill before us today, the Air Cargo Security Act, incorporates many of the provisions of my bill. First of all, it would require TSA to establish a system to ensure the security of all cargo transported in the U.S. on both passenger aircraft and cargo aircraft, which must be finalized within 6 months of enactment. It is essential that TSA have a comprehensive plan in place as soon as possible, so that they can go after the most glaring security loopholes in the air cargo system. Secondly, the bill includes language I authored establishing a pilot program would be to allow the Secretary of Homeland Security to test various techniques for screening cargo being loaded onto passenger planes including random physical screening. Today, virtually no cargo loaded onto airliners is screened, and it is vital that TSA settle soon on the best method of cargo screening with an eye towards deploying those methods in airports around the country.

Also, in response to concerns that I had raised about security at foreign cargo facilities that ship to the U.S. by air, the legislation includes a provision requiring TSA to work with foreign countries to conduct regular inspections at facilities transporting air cargo to the U.S. Finally, the bill also includes a provision from my bill to develop a detailed training program for all persons that handle air cargo. This will ensure that the cargo is properly handled and safe-guarded from security breaches.

The Air Cargo Security Act would also require TSA to establish an industrywide database of shippers who ship on passenger planes. I know that the TSA has already been working on this database. The bill also seeks to greatly increase oversight of indirect air carriers, ''freight forwarders,'' complete with a system of random TSA inspections.

On last September 11, terrorists exposed the vulnerability of our commercial aviation network in the most horrific fashion. The landmark aviation security legislation was a major step in the right direction, but we must always stay one step ahead of those who would commit vicious acts of violence on our soil aimed at innocent men, women, and children.

The bill before us works towards that goal, and therefore I am pleased to support it.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 165

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Air Cargo Security Improvement Act''.

SEC. 2. INSPECTION OF CARGO CARRIED ABOARD PASSENGER AIRCRAFT.

Section 44901(f) of title 49, United States Code, is amended to read as follows:

''(f) CARGO.—

''(1) IN GENERAL.—The Under Secretary of Transportation for Security shall establish systems to screen, inspect, or otherwise ensure the security of all cargo that is to be transported in—

''(A) passenger aircraft operated by an air carrier or foreign air carrier in air transportation or intrastate air transportation; or

''(B) all-cargo aircraft in air transportation and intrastate air transportation.

''(2) STRATEGIC PLAN.—The Under Secretary shall develop a strategic plan to carry out paragraph (1) within 6 months after the date of enactment of the Air Cargo Security Improvement Act.

''(3) PILOT PROGRAM.—The Under Secretary shall conduct a pilot program of screening of cargo to assess the effectiveness of different screening measures, including the use of random screening. The Under Secretary shall attempt to achieve a distribution of airport participation in terms of geographic location and size.''.

SEC. 3. AIR CARGO SHIPPING.

(a) IN GENERAL.—Subchapter I of chapter 449 of title 49, United States Code, is amended by adding at the end the following:

''§ 44922. Regular inspections of air cargo shipping facilities

''The Under Secretary of Transportation for Security shall establish a system for the regular inspection of shipping facilities for shipments of cargo transported in air transportation or intrastate air transportation to ensure that appropriate security controls, systems, and protocols are observed, and shall enter into arrangements with the civil aviation authorities, or other appropriate officials, of foreign countries to ensure that inspections are conducted on a regular basis at shipping facilities for cargo transported in air transportation to the United States.''.

(b) ADDITIONAL INSPECTORS.—The Under Secretary may increase the number of inspectors as necessary to implement the requirements of title 49, United States Code, as amended by this subtitle.

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 449 of title 49, United States Code, is amended by adding at the end the following:

''44922. Regular inspections of air cargo shipping facilities''.

SEC. 4. CARGO CARRIED ABOARD PASSENGER AIRCRAFT.

(a) IN GENERAL.—Subchapter I of chapter 449 of title 49, United States Code, is further amended by adding at the end the following:

''§ 44923. Air cargo security

''(a) DATABASE.—The Under Secretary of Transportation for Security shall establish an industry-wide pilot program database of known shippers of cargo that is to be transported in passenger aircraft operated by an air carrier or foreign air carrier in air transportation or intrastate air transportation. The Under Secretary shall use the results of the pilot program to improve the known shipper program.

''(b) INDIRECT AIR CARRIERS.—

''(1) RANDOM INSPECTIONS.—The Under Secretary shall conduct random audits, investigations, and inspections of indirect air carrier facilities to determine if the indirect air carriers are meeting the security requirements of this title.

''(2) ENSURING COMPLIANCE.—The Under Secretary may take such actions as may be appropriate to promote and ensure compliance with the security standards established under this title.

''(3) NOTICE OF FAILURES.—The Under Secretary shall notify the Secretary of Transportation of any indirect air carrier that fails to meet security standards established under this title.

''(4) WITHDRAWAL OF SECURITY PROGRAM APPROVAL.—The Under Secretary may issue an order amending, modifying, suspending, or revoking approval of a security program of an indirect air carrier that fails to meet security requirements imposed by the Under Secretary if such failure threatens the security of air transportation or commerce. The

affected indirect air carrier shall be given notice and the opportunity to correct its noncompliance unless the Under Secretary determines that an emergency exists. Any indirect air carrier that has the approval of its security program amended, modified, suspended, or revoked under this section may appeal the action in accordance with procedures established by the Under Secretary under this title.

''(5) INDIRECT AIR CARRIER.—In this subsection, the term 'indirect air carrier' has the meaning given that term in part 1548 of title 49, Code of Federal Regulations.

''(c) CONSIDERATION OF COMMUNITY NEEDS.—In implementing air cargo security requirements under this title, the Under Secretary may take into consideration the extraordinary air transportation needs of small or isolated communities and unique operational characteristics of carriers that serve those communities.''.

(b) ASSESSMENT OF INDIRECT AIR CARRIER PROGRAM.—The Under Secretary of Transportation for Security shall assess the security aspects of the indirect air carrier program under part 1548 of title 49, Code of Federal Regulations, and report the result of the assessment, together with any recommendations for necessary modifications of the program to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure within 60 days after the date of enactment of this Act. The Under Secretary may submit the report and recommendations in classified form.

(c) REPORT TO CONGRESS ON RANDOM AUDITS.—The Under Secretary of Transportation for Security shall report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure on random screening, audits, and investigations of air cargo security programs based on threat assessments and other relevant information. The report may be submitted in classified form.

(d) CONFORMING AMENDMENT.—The chapter analysis for chapter 449 of title 49, United States Code, as amended by section 3, is amended by adding at the end the following:

''44923. Air cargo security''.

SEC. 5. TRAINING PROGRAM FOR CARGO HANDLERS.

The Under Secretary of Transportation for Security shall establish a training program for any persons that handle air cargo to ensure that the cargo is properly handled and safe-guarded from security breaches.

SEC. 6. CARGO CARRIED ABOARD ALL-CARGO AIRCRAFT.

(a) IN GENERAL.—The Under Secretary of Transportation for Security shall establish a program requiring that air carriers operating all-cargo aircraft have an approved plan for the security of their air operations area, the cargo placed aboard such aircraft, and persons having access to their aircraft on the ground or in flight.

(b) PLAN REQUIREMENTS.—The plan shall include provisions for—

(1) security of each carrier's air operations areas and cargo acceptance areas at the airports served;

(2) background security checks for all employees with access to the air operations area;

(3) appropriate training for all employees and contractors with security responsibilities;

(4) appropriate screening of all flight crews and persons transported aboard all-cargo aircraft;

(5) security procedures for cargo placed on all-cargo aircraft as provided in section 44901(f)(1)(B) of title 49, United States Code; and

(6) additional measures deemed necessary and appropriate by the Under Secretary.

(c) CONFIDENTIAL INDUSTRY REVIEW AND COMMENT.—

(1) CIRCULATION OF PROPOSED PROGRAM.—The Under Secretary shall—

(A) propose a program under subsection (a) within 90 days after the date of enactment of this Act; and

(B) distribute the proposed program, on a confidential basis, to those air carriers and other employers to which the program will apply.

(2) COMMENT PERIOD.—Any person to which the proposed program is distributed under paragraph (1) may provide comments on the proposed program to the Under Secretary not more than 60 days after it was received.

(3) FINAL PROGRAM.—The Under Secretary of Transportation shall issue a final program under subsection (a) not later than 90 days after the last date on which comments may be provided under paragraph (2). The final program shall contain time frames for the plans to be implemented by each air carrier or employer to which it applies.

(4) SUSPENSION OF PROCEDURAL NORMS.—Neither chapter 5 of title 5, United States Code, nor the Federal Advisory Committee Act (5 U.S.C. App.) shall apply to the program required by this section.

SEC. 7. REPORT ON PASSENGER PRESCREENING PROGRAM.

(a) IN GENERAL.—Within 90 days after the date of enactment of this Act, the Secretary of Homeland Security, after consultation with the Attorney General, shall submit a report in writing to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure on the potential impact of the Transportation Security Administration's proposed Computer Assisted Passenger Prescreening system, commonly known as CAPPS II, on the privacy and civil liberties of United States citizens.

(b) SPECIFIC ISSUES TO BE ADDRESSED.—The report shall address the following:

(1) Whether and for what period of time data gathered on individual travelers will be retained, who will have access to such data, and who will make decisions concerning access to such data.

(2) How the Transportation Security Administration will treat the scores assigned to individual travelers to measure the likelihood they may pose a security threat, including how long such scores will be retained and whether and under what circumstances they may be shared with other governmental, non-governmental, or commercial entities.

(3) The role airlines and outside vendors or contractors will have in implementing and operating the system, and to what extent will they have access, or the means to obtain access, to data, scores, or other information generated by the system.

(4) The safeguards that will be implemented to ensure that data, scores, or other information generated by the system will be used only as officially intended.

(5) The procedures that will be implemented to mitigate the effect of any errors, and what procedural recourse will be available to passengers who believe the system has wrongly barred them from taking flights.

(6) The oversight procedures that will be implemented to ensure that, on an ongoing basis, privacy and civil liberties issues will continue to be considered and addressed with high priority as the system is installed, operated and updated.

SEC. 8. MODIFICATION OF REQUIREMENTS REGARDING TRAINING TO OPERATE AIRCRAFT.

(a) IN GENERAL.—Section 44939 of title 49, United States Code, is amended to read as follows:

''§ 44939. Training to operate certain aircraft

''(a) IN GENERAL.—

''(1) WAITING PERIOD.—A person subject to regulation under this part may provide training in the United States in the operation of an aircraft to an individual who is an alien (as defined in section 101(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(3))) or to any other individual specified by the Under Secretary of Homeland Security for Border and Transportation Security only if—

''(A) that person has notified the Under Secretary that the individual has requested such training and furnished the Under Secretary with that individual's identification in such form as the Under Secretary may require; and

''(B) the Under Secretary has not directed, within 30 days after being notified under subparagraph (A), that person not to provide the requested training because the Under Secretary has determined that the individual presents a risk to aviation security or national security.

''(2) NOTIFICATION-ONLY INDIVIDUALS.—

''(A) IN GENERAL.—The requirements of paragraph (1) shall not apply to an an alien individual who holds a visa issued under title I of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.) and who—

''(i) has earned a Federal Aviation Administration type rating in an aircraft or has undergone type-specific training, or

''(ii) holds a current pilot's license or foreign equivalent commercial pilot's license that permits the person to fly an aircraft with a maximum certificated takeoff weight of more than 12,500 pounds as defined by the International Civil Aviation Organization in Annex 1 to the Convention on International Civil Aviation,

if the person providing the training has notified the Under Secretary that the individual has requested such training and furnished the Under Secretary with that individual's visa information.

''(B) EXCEPTION.—Subparagraph (A) does not apply to an alien individual whose airman's certificate has been suspended or revoked under procedures established by the Under Secretary.

''(3) EXPEDITED PROCESSING.—The waiting period under paragraph (1) shall be expedited for an individual who—

''(A) has previously undergone a background records check by the Foreign Terrorist Tracking Task Force;

''(B) is employed by a foreign air carrier certified under part 129 of title 49, Code of Federal Regulations, that has a TSA 1546 approved security program and who is undergoing recurrent flight training;

''(C) is a foreign military pilot endorsed by the United States Department of Defense for flight training; or

''(D) who has unescorted access to a secured area of an airport designated under section 44936(a)(1)(A)(ii).

''(4) INVESTIGATION AUTHORITY.—In order to determine whether an individual requesting training described in paragraph (1) presents a risk to aviation security or national security the Under Secretary is authorized to use the employment investigation authority provided by section 44936(a)(1)(A) for individuals applying for a position in which the individual has unescorted access to a secured area of an airport designated under section 44936(a)(1)(A)(ii).

''(5) FEE.—

''(A) IN GENERAL.—The Under Secretary may assess a fee for an investigation under this section, which may not exceed $100 per individual (exclusive of the cost of transmitting fingerprints collected at overseas facilities) during fiscal years 2003 and 2004. For fiscal year 2005 and thereafter, the Under Secretary may adjust the maximum amount of the fee to reflect the costs of such an investigation.

''(B) OFFSET.—Notwithstanding section 3302 of title 31, United States Code, any fee collected under this section—

''(i) shall be credited to the account in the Treasury from which the expenses were incurred and shall be available to the Under Secretary for those expenses; and

''(ii) shall remain available until expended.

''(b) INTERRUPTION OF TRAINING.—If the Under Secretary, more than 30 days after receiving notification under subsection (a)(1)(A) from a person providing training described in subsection (a)(1) or at anytime after receiving notice from such a person under subsection (a)(2)(a), determines that an individual receiving such training presents a risk to aviation or national security, the Under Secretary shall immediately notify the person providing the training of the determination and that person shall immediately terminate the training.

''(c) COVERED TRAINING.—For purposes of subsection (a), the term –'training'—

''(1) includes in-flight training, training in a simulator, and any other form or aspect of training; but

''(2) does not include classroom instruction (also known as ground school training), which may be provided during the 30-day period described in subsection (a)(1)(B).

''(d) INTERAGENCY COOPERATION.—The Attorney General, the Director of Central Intelligence, and the Administrator of the Federal Aviation Administration shall cooperate with the Under Secretary in implementing this section.

''(e) SECURITY AWARENESS TRAINING FOR EMPLOYEES.—The Under Secretary shall require flight schools to conduct a security awareness program for flight school employees, and for certified instructors who provide instruction for the flight school but who are not employees thereof, to increase their awareness of suspicious circumstances and activities of individuals enrolling in or attending flight school.''.

(b) PROCEDURES.—

(1) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Under Secretary of Homeland Security for Border and Transportation Security shall promulgate an interim final rule to implement section 44939 of title 49, United States Code, as amended by subsection (a).

(2) USE OF OVERSEAS FACILITIES.—In order to implement section 44939 of title 49, United States Code, as amended by subsection (a), United States Embassies and Consulates that possess appropriate fingerprint collection equipment and personnel certified to capture fingerprints shall provide fingerprint services to aliens covered by that section if the Under Secretary requires fingerprints in the administration of that section, and shall transmit the fingerprints to the Under Secretary or other agency designated by the Under Secretary. The Attorney General and the Secretary of State shall cooperate with the Under Secretary in carrying out this paragraph.

(3) USE OF UNITED STATES FACILITIES.—If the Under Secretary requires fingerprinting in the administration of section 44939 of title 49, United States Code, the Under Secretary may designate locations within the United States that will provide fingerprinting services to individuals covered by that section.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on the effective date of the interim final rule required by subsection (b)(1).

(d) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Homeland Security shall submit to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure a report on the effectiveness of the activities carried out under section 44939 of title 49, United States Code, in reducing risks to aviation security and national security.

SEC. 9. PASSENGER IDENTIFICATION.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Under Secretary of Transportation for Security, in consultation with the Administrator of the Federal Aviation Administration, appropriate law enforcement, security, and terrorism experts, representatives of air carriers and labor organizations representing individuals employed in commercial aviation, shall develop guidelines to provide air carriers guidance for detecting false or fraudulent passenger identification. The guidelines may take into account new technology, current identification measures, training of personnel, and issues related to the types of identification available to the public. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to any meeting held pursuant to this subsection.

(b) AIR CARRIER PROGRAMS.—Within 60 days after the Under Secretary issues the guidelines under subsection (a) in final form, the Under Secretary shall provide the guidelines to each air carrier and establish a joint government and industry council to develop recommendations on how to implement the guidelines.

(c) REPORT.—The Under Secretary of Transportation for Security shall report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure within 1 year after the date of enactment of this Act on the actions taken under this section.

SEC. 10. PASSENGER IDENTIFICATION VERIFICATION.

(a) PROGRAM REQUIRED.—The Under Secretary of Transportation for Security may establish and carry out a program to require the installation and use at airports in the United States of the identification verification technologies the Under Secretary considers appropriate to assist in the screening of passengers boarding aircraft at such airports.

(b) TECHNOLOGIES EMPLOYED.—The identification verification technologies required as part of the program under subsection (a) may include identification scanners, biometrics, retinal, iris, or facial scanners, or any other technologies that the Under Secretary considers appropriate for purposes of the program.

(c) COMMENCEMENT.—If the Under Secretary determines that the implementation of such a program is appropriate, the installation and use of identification verification technologies under the program shall commence as soon as practicable after the date of that determination.

SEC. 11. BLAST-RESISTANT CARGO CONTAINER TECHNOLOGY.

Not later than 6 months after the date of enactment of this Act, the Under Secretary of Transportation for Security, and the Administrator of the Federal Aviation Administration, shall jointly submit a report to Congress that contains—

(1) an evaluation of blast-resistant cargo container technology to protect against explosives in passenger luggage and cargo;

(2) an examination of the advantages associated with the technology in preventing damage and loss of aircraft from terrorist action and any operational impacts which may result from use of the technology (particularly added weight and costs);

(3) an analysis of whether alternatives exist to mitigate the impacts described in paragraph (2) and options available to pay for the technology; and

(4) recommendations on what further action, if any, should be taken with respect to the use of blast-resistant cargo containers on passenger aircraft.

SEC. 12. ARMING PILOTS AGAINST TERRORISM.

(a) FINDINGS AND PURPOSE.—

(1) FINDINGS.—Congress makes the following findings:

(A) During the 107th Congress, both the Senate and the House of Representatives overwhelmingly passed measures that would have armed pilots of cargo aircraft.

(B) Cargo aircraft do not have Federal air marshals, trained cabin crew, or determined passengers to subdue terrorists.

(C) Cockpit doors on cargo aircraft, if present at all, largely do not meet the security standards required for commercial passenger aircraft.

(D) Cargo aircraft vary in size and many are larger and carry larger amounts of fuel than the aircraft hijacked on September 11, 2001.

(E) Aircraft cargo frequently contains hazardous material and can contain deadly biological and chemical agents and quantities of agents that caused communicable diseases.

(F) Approximately 12,000 of the Nation's 90,000 commercial pilots serve as pilots and flight engineers on cargo aircraft.

(G) There are approximately 2,000 cargo flights per day in the United States, many of which are loaded with fuel for outbound international travel or are inbound from foreign airports not secured by the Transportation Security Administration.

(H) aircraft transporting cargo pose a serious risk as potential terrorist targets that could be used as weapons of mass destruction.

(I) Pilots of cargo aircraft deserve the same ability to protect themselves and the aircraft they pilot as other commercial airline pilots.

(J) Permitting pilots of cargo aircraft to carry firearms creates an important last line of defense against a terrorist effort to commandeer a cargo aircraft.

(2) SENSE OF CONGRESS.—It is the sense of Congress that a member of a flight deck crew of a cargo aircraft should be armed with a firearm to defend the cargo aircraft against an attack by terrorists that could result in the use of the aircraft as a weapon of mass destruction or for other terrorists purposes.

(b) ARMING CARGO PILOTS AGAINST TERRORISM.—Section 44921 of title 49, United States Code, is amended—

(1) by striking ''passenger'' in subsection (a) each place that it appears;

(2) by striking ''or,'' and all that follows in subsection (k)(2) and inserting ''or any other flight deck crew member.''; and

(3) by adding at the end of subsection (k) the following:

''(3) ALL-CARGO AIR TRANSPORTATION.—For the purposes of this section, the term air transportation includes all-cargo air transportation.''.

(c) IMPLEMENTATION.—

(1) TIME FOR IMPLEMENTATION.—The training of pilots as Federal flight deck officers required in the amendments made by subsection (b) shall begin as soon as practicable and no later than 90 days after the date of enactment of this Act.

(2) EFFECT ON OTHER LAWS.—The requirements of subparagraph (1) shall have no effect on the deadlines for implementation

contained in section 44921 of title 49, United States Code, as in effect on the day before the date of enactment of this Act.

SEC. 13. REPORT ON DEFENDING AIRCRAFT FROM MAN-PORTABLE AIR DEFENSE SYSTEMS (SHOULDER-FIRED MISSILES).

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Homeland Security shall issue a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure on how best to defend turbo and jet passenger aircraft from Man-Portable Air Defense Systems (shoulder-fired missiles).

(b) ISSUES TO BE ADDRESSED.—The report shall include an analysis of—

(1) actions taken to date, countermeasures, risk mitigation, and other activities;

(2) existing military countermeasure systems and how those systems might be adapted to commercial aircraft applications;

(3) means of reducing the costs of military countermeasure systems by modifying them for use on commercial aircraft; and

(4) the extent of the threat and the need for countermeasures.

(c) REPORT FORMAT.—The report may be submitted in classified form.

SEC. 14. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary of Homeland Security such sums as may be necessary to carry out this Act and sections 44901(f), 44922, and 44923 of title 49, United States Code, for fiscal years 2004 through 2008.

Mr. WYDEN. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MOTHER'S DAY

Mr. BYRD. Mr. President, this coming Sunday is Mother's Day. For a few short hours, families will dust off a rarely used pedestal and attempt to pay homage to a woman who likely will hop right back off that pedestal in order to straighten her husband's tie, or apply a bandage to a skinned knee, or do one of the countless other small tasks that keep a mother's hands in perpetual motion.

This Sunday, families may try to still those busy hands by serving mom a homemade breakfast in bed or taking her to a nice restaurant for brunch. They will shower her with cards, and flowers, and presents in an attempt to say ''thank you, Mother'' for all of the hours that she has labored over them. The cards that are smudged with small blurry fingerpainted handprints will be especially savored, as will the bouquets of short-stemmed, wilting flowers plucked forcibly from weeds and beds in the backyard by loving and determined children, and presented in lumpy homemade vases painted with the wild abandon of childhood joy. Each gift and each gesture, whether suggested to a youngster by a loving husband or father or proffered by an awkward teenager who otherwise prefers his connection to the family be kept secret, will bring smiles, even tears, of gratitude.

On Sunday, mothers will revel in each moment, delight over each expression of caring, and give back tenfold, as they always do, the love offered from their most precious charge, their families.

It does not matter whether she is a business executive, an hourly laborer, or an unpaid stay-at-home mom—the best mothers invest the best of themselves in their families. They are high stakes brokers and we, their families, are the stocks on their exchange. They may spend many hours at work, but they still manage to make their children feel loved. They still manage to make each house a home. They still manage to create and sustain the traditions and customs that make each family unique. They enforce discipline on homework and at bedtime. They ice the birthday cakes and pack the lunches. They cool fevered brows and beam at graduations. They set high standards and higher expectations. They glory in our successes and consol us in our defeats. Like ripples in a pond, their investment spreads across the generations. The memories deep within each of us that connect us to our families are often closely linked to our mothers. From the food dishes that make each holiday special, to customs that range from the right way to fold clothes to the way we choose to raise our own children, our mother lives on in us. It is up to us to live up to our mother's expectations, to be the kind of adults she always believed we could be and would be. And if we simply try our best, she will consider the return on her investment to be well met.

I still remember, from growing up in a time when children memorized and recited poetry, particularly poetry that taught a lesson, the following poem by Margaret Johnston Grafflin:

LIKE MOTHER, LIKE SON

Do you know that your soul is of my soul such a part,
That you seem to be fibre and core of my heart?
None other can pain me as you, dear, can do,
None other can please me or praise me as you.

Remember the world will be quick with its blame,
If shadow or stain ever darken your name.
''Like mother, like son'' is a saying so true,
The world will judge largely the ''mother'' by you.

Be yours then the task, if task it shall be,
To force the proud world to do homage to me.
Be sure it will say, when its verdict you've won,
''She reaped as she sowed. Lo! This is her son.''

An old adage avers that ''As the twig is bent, so grows the tree.'' Countless studies have demonstrated the essential role that mothers play in family life, and their role in shaping the personality of their children, for good or for ill. I know from personal experience that a mother's influence reaches even beyond the grave. My own sweet mother died when I was just a year old, leaving me to be raised by my aunt and uncle. But my mother's serene face shone, and still shines, from a photograph that I keep in my office. Ada Kirby Sale: I have always felt her gentle presence, her soft urging to do my best to make her proud, to live the lesson of that poem.

She died of influenza in 1918, during the great pandemic that took many millions of lives worldwide, her final struggle that of ensuring her baby's fate, my fate. It was her wish that a particular aunt and uncle take me to raise. I had three older brothers and sister, but she wanted the Byrds, Titus Dalton and Vlurma Byrd, to have the baby, Robert. At that time my name was Cornelius Calvin Sale, Jr.

As concerns of a SARS epidemic sweeping the globe make today's headlines, I fear that other children may also be similarly orphaned. If that is the sad case, I hope that these children may also be able to keep their mother's memory and influence with them throughout their lives, as I have been fortunate to do.

You see, I do not remember ever having seen that mother. But it is as though she were there beside me often. I feel that I am here because of that mother's wish, and I feel that she is watching today. I hope that other members of their families will be so willing to take them in and raise them as their mothers would have wished, as my Aunt Vlurma and my Uncle Titus Dalton Byrd did for me. They took me in. They gave me a new name to share with them and to be proud of, and they brought me to the land of my heart, if not my birth, West Virginia.

West Virginia is the birthplace of my wife, Erma Ora Byrd. As I have said before, and I am happy to say again and again, she is a wonderful mother, a wonderful grandmother and great-grandmother. The ripples of her influence have spread now to the third generation. Erma and I are proud parents, grandparents, and now great-grandparents of a brood of fine people, individuals that distinguish any group. Erma's investment in her family has paid off a hundredfold.

Good mothers are so special—you know that; you know that; you know that—so essential to our families and our society that I am especially gratified that the U.S. national celebration of mothers has its own origins in the town of Grafton in Taylor County, WV. The only surprise is that it is such a recent holiday, first established in 1907, when Ms. Anna Jarvis of Philadelphia persuaded her mother's church, which was in Grafton, WV, to celebrate Mother's Day on the second anniversary of her mother's death on the second Sunday in May. By the next year, Mother's

Day was also being celebrated in Philadelphia.

By 1911, thanks to the efforts of Anna Jarvis and her supporters, Mother's Day was being celebrated in almost every State—there were only 46 of them in 1911. In 1914, President Woodrow Wilson made the official announcement proclaiming Mother's Day a national holiday, to be held on the second Sunday in May each year. It is a tribute to Anna Jarvis's mother that her daughter was so inspired and so persevering. It is an equal tribute to countless other wonderful mothers that Anna Jarvis's good idea spread so quickly. Today, Mother's Day is celebrated throughout the United States and in many other nations as well.

Mother's Day sprang from a loving and loyal heart, not from the avarice of any executive of the greeting card industry, the floral delivery service, the chocolate candy manufacturers, or the restaurant business. And despite all of the advertising these days aimed at getting grateful families to spend money on ever-more extravagant gifts for Mother's Day, the warm and caring feelings that inspired the day remain central to the observance. I know economists would like to see more spending to boost the economy, but I am also sure that for most mothers, the best part of the day is the time spent with their families. The hugs and laughter of her children, the pride in them that she shares with her husband—these are the gems in the mother's crown and the gold in mother's vault.

This Sunday, as each of us calls or visits our mother, or pauses to hold close her dear memory, we can savor the warmth and caring of her hugs and the special accolade that was her smile of pride.

I close with another old poem, by Elizabeth Akers Allen, that for me is forever linked with Mother's Day: ''Rock Me to Sleep.'' I will offer it up to my own angel mother and to all other mothers who are angels as well.

ROCK ME TO SLEEP

Backward, turn backward, O time, in your flight,
Make me a child again just for to-night!
Mother, come back from the echoless shore,
Take me again in your heart as of yore;
Kiss from my forehead the furrows of care,
Smooth the few silver threads out of my hair;
Over my slumbers your loving watch keep:—
Rock me to sleep, Mother—rock me to sleep!

Backward, flow backward, oh, tide of the years!
I am so weary of toil and of tears—
Toil without recompense, tears all in vain—
Take them, and give me my childhood again!
I have grown weary of dust and decay—
Weary of flinging my soul-wealth away;
Weary of sowing for others to reap;—
Rock me to sleep, Mother—rock me to sleep!

Tired of the hollow, the base, the untrue,
Mother, O Mother, my heart call for you!
Many a summer the grass has grown green,
Blossomed and faded, our faces between:
Yet, with strong yearning and passionate pain,
Long I to-night for your presence again.
Come from the silence so long and so deep;—
Rock me to sleep, Mother—rock me to sleep!

Over my heart, in the days that are flown,
No love like mother-love ever has shone;
No other worship abides and endures—
Faithful, unselfish, and patient like yours:
None like a mother can charm away pain
From the sick soul and the world-weary brain.
Slumber's soft calms o'er my heavy lids creep;—
Rock me to sleep, Mother—rock me to sleep!

Come, let your brown hair, just lighted with gold,
Fall on your shoulders again as of old;
Let it drop over my forehead to-night,
Shading my faint eyes away from the light;
For with its sunny-edged shadows once more
Haply will throng the sweet visions of yore;
Lovingly, softly, its bright billows sweep;—
Rock me to sleep, Mother—rock me to sleep!

Mother, dear Mother, the years have been long
Since I last listened your lullaby song:
Sing, then, and unto my soul it shall seen
Womanhood's years have been only a dream.
Clasped to your heart in a loving embrace,
With your light lashes just sweeping my face,
Never hereafter to wake or to weep;—
Rock me to sleep, Mother—rock me to sleep!

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

HONORING THE 2003 AAA SCHOOL SAFETY PATROL LIFESAVING MEDAL AWARD WINNERS AND THE AAA NATIONAL PATROLLER OF THE YEAR

Mr. DASCHLE. Mr. President, I am proud to announce to the Senate today the names of the young men and women who were selected to receive special awards from the American Automobile Association. Four safety patrollers received the 2003 AAA School Safety Patrol Lifesaving Medal Award, the highest honor given to members of the school safety patrol. Another safety patroller received the special honor of the AAA National Patroller of the Year. They received their awards this past Sunday, May 4, and I wanted to say how proud we are of them

There are roughly 500,000 members of the AAA School Safety Patrol in this country, helping in over 50,000 schools. Every day, these young people ensure that their peers arrive safely at school in the morning, and back home in the afternoon.

Most of the time, they accomplish their jobs uneventfully. But, on occasion, these volunteers must make split second decisions, placing themselves in harm's way to save the lives of others. The heroic actions of this year's recipients exemplify this selflessness.

The first AAA Lifesaving Medal recipient comes from Deshler, OH. Her name is Sadie Peters.

On the afternoon of May 2, 2002, Sadie, age 12, was on patrol assisting fellow students with crossing a busy intersection at Deshler Elementary School.

Kaydi McGill, a three-year old girl, was with her grandmother at the intersection when Kaydi wandered away from the older woman into the path of an oncoming semi-truck. Seeing that Kaydi was in danger, Sadie immediately threw down her patrol flag and sprang toward Kaydi, grabbing her from in front of the semi-truck.

This year's second AAA Lifesaving Medal honoree comes from Lancaster, OH.

Cody Byers, age 13, was on morning duty at Fairfield Christian Academy on January 22 overseeing a crosswalk with heavy pedestrian traffic. The two traffic lanes in front of the school were filled with cars dropping off students for class.

Cody's safety patrol advisor, Mark Zeitman, saw a first grade student race out of the school and head into traffic. he called out to Cody, who took off after her and grabbed the youngster by the coat collar just before she ran into the street.

The next AAA Lifesaving Medal winners come from Burke, VA.

On the morning of November 1, 2002, Michael Butters, age 12, was at his post at Holy Spirit School, monitoring a busy traffic circle where children are dropped off. Suddenly, Michael heard a teacher yell, ''Get her!''

A little girl had been playing a game of chase with her friends when she broke away from the group. Not looking where she was running, she headed right for the drop off area. Without hesitating, Michael ran to the little girl and grabbed her backpack, saving her from being hit by a car.

In addition to honoring safety patrollers with the Lifesaving Medal Award, AAA also recognizes the School Safety Patroller of the Year. This award is presented to patrollers who perform duties above and beyond their normal responsibilities and demonstrate outstanding leadership, dependability, and academic strength.

This year, the Safety Patroller of the Year goes to Kaaren Hatlen, age 11, Safety Patrol Captain at Bear Creek Elementary in Woodinville, WA.

Kaaren has been a member of the Bear Creek Elementary School Safety Patrol for the past 2 years. She established herself as a leader early on and this year was selected as a captain of her safety patrol. She was also selected for several leadership responsibilities, including the newly created post of captain of Kindergarten Duty and team leader for the sixth grade salmon tank.

Kaaren is always the first to volunteer to fill in for absent patrol members, even in the worst weather. She looks for potentially dangerous situations and corrects problem before trouble can occur.

Kaaren is involved in school volleyball, math olympiad, chorus,

band and the drama club. She participates in caroling at nursing homes, and makes crafts, food and toy drives for Hopelink, a local nonprofit organization. She is very active in the reading tutoring program, often giving up her lunch recess to help others learn to be successful readers. Kaaren is also an active member of her church and local Girl Scout Troop and enjoys playing soccer, softball, basketball and swimming.

She and all of the other AAA winners deserve our thanks and applause.

On behalf of the Senate, I extend congratulations and thanks to these young men and women. They are assets to their communities, and their families and neighbors should be very proud of their courage and dedication.

I would also like to recognize the American Automobile Association for providing the supplies and training necessary to keep the safety patrol on duty nationwide.

Since the 1920s, AAA clubs across the country have sponsored student safety patrols to guide and protect younger classmates against traffic accidents. Easily recognizable by their fluorescent orange safety belt and shoulder strap, safety patrol members represent the very best of their schools and communities. Experts credit school safety patrol programs with helping to lower the number of traffic accidents and fatalities involving young children.

We owe AAA our gratitude for their tireless efforts to ensure that our Nation's children arrive to and from school safe and sound. And we owe our thanks to these exceptional young men and women for their selfless actions. The discipline and courage they displayed deserves the praise and recognition of their schools, their communities and the Nation.

GAMING LAW POLICY

Mr. REID. Mr. President, last month I had the wonderful opportunity to speak to students in a gaming law policy class at the William S. Boyd School of Law at the University of Nevada, Las Vegas. As I am sure you are aware, yesterday the Senator from Arizona reintroduced legislation that would make it illegal to wager on college sports in Nevada, where it is legal and heavily regulated. The legislation will not solve the problems the sponsors of the legislation seek to solve. Recently, I received a letter from several students in the class who have done a great deal of research on the subject. I share the views they have, and I ask unanimous consent to print their letter in today's RECORD.

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

WILLIAM S. BOYD SCHOOL OF LAW,
UNIVERSITY OF NEVADA AT LAS VEGAS
Las Vegas, NV, April 24, 2003.

Hon. HARRY REID,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR REID: We write to you as members of the Gaming Law Policy Class at the William S. Boyd School of Law at the University of Nevada at Las Vegas. Our class includes students from states that have no legal gaming, such as Hawaii. One of the topics that our class has researched this semester, under the direction of Adjunct Professors Tony Cabot and Bob Faiss, is congressional legislation that would outlaw collegiate sports wagering in Nevada casinos. After researching this matter in detail, we have come to the conclusion that such legislation would not effectively address the problem that its proponents are trying to correct.

We recognize this is the conclusion that you and the other members of Nevada's congressional delegation have also reached in your consideration of this subject. We have reviewed the legislation that you co-sponsored with Senator John Ensign during the last Congress and agree that this approach would do much more to eradicate the problems created by illegal sports wagering on college campuses.

Based on our in-depth analysis of this subject, we felt compelled to send this formal expression of support for your efforts. Our letter is not to be considered an official expression of the law school. We have prepared it as individuals sharing a common view.

Our examination of this subject has led us to the following conclusions:

1. Banning collegiate sports wagering in Nevada would do nothing to eradicate or reduce illegal collegiate sports wagering. Banning gambling in Nevada is unlikely to end any illegal gambling on college athletics. The amount of wagering that takes place on collegiate sport wagering in Nevada is a minuscule fraction of the overall amount of wagering that takes place nationally. The money wagered in Nevada on college athletics would flow to the domestic black market or to offshore Internet gaming companies.

2. Nevada casinos actually assist law enforcement in exposing illegal gambling schemes. Nevada sports books have a proven record of uncovering suspicious gambling activity. Absent the scrutiny of Nevada sports books, law enforcement would have no real-time monitor on unusual wagering trends.

3. Nevada collegiate sports wagering is not the problem. The money that is legally wagered in Nevada on college athletics is only two percent of the estimated total amount waged on college athletics across the country. The proponents of legislation to outlaw collegiate sports wagering in Nevada have presented no credible evidence that legal wagering in Nevada is the cause of the problems such legislation is attempting to correct.

4. The idea that Nevada encourages illegal wagering throughout the rest of the country is without any factual support. As stated, such wagering in Nevada comprises a very small percentage of the total amount of wagering that occurs. Newspapers, including USA Today, are on record as stating that they will publish betting odds and point-spreads regardless of whether wagering on college athletics is legal. Offshore Internet sites would also continue to publish betting odds and point-spreads.

5. Nevada sports book operators are highly regulated and subject to intense scrutiny. Nevada sports book operators have never been involved in a point-shaving scandal.

In conclusion, our research shows that banning regulated wagering on college athletics in Nevada will not address the problem of the influence of illegal wagering on student-athletes and will, in fact, remove a tool that law enforcement has to expose illegal betting schemes.

We therefore hope that others members of the Congress will support the common-sense approach taken by you and the other members of the Nevada delegation to address the problem of illegal wagering on college athletics.

Respectfull,

Jeremy Aguero, Kevin Bumstead, Anthony Celeste, Zachary Fritz, Edward Magaw, Nathan Miller, Shannon Okada, Jennifer Stallard, Douglas Walker, Members of the 2003 Gaming Law Policy Class.

Anthony Celeste, Nathan Miller, Student Project Chairmen.

HONORING OUR ARMED FORCES

Mr. ALLEN. Mr. President, I rise today to honor a great American, a great patriot, a courageous Airman, husband and father, LTC William Watkins III of Halifax County, VA.

Lieutenant Colonel Watkins fought so that our families—all Americans—could lead our lives and freedoms in greater security. His mission was noble—and embodies the absolute greatest of the American ideas.

Lieutenant Colonel Watkins' F–15 went down on April 7 near Tikrit, Iraq. His courageous actions contributed to the success of our mission—the prevention of the spread of weapons of mass destruction, and the permanent removal of the heavy boot of oppression from the throats of the Iraqi people.

Lieutenant Colonel Watkins left his home and family to travel around the world to liberate an oppressed people—most whom he had never met. There was no personal benefit, there was no monetary reward.

When Lieutenant Colonel Watkins was called to action, he knew the mission, the purpose and the goal was larger than one man. He answered his country's call with a simple, ''yes sir''—steady in his love for the cause of freedom.

Shortly after Lieutenant Colonel Watkins death, The Danville Register and Bee, his hometown paper, aptly noted:

> We live in a safe, free and prosperous country because men like Watkins have always been willing to sacrifice their lives to protect the birthright of every American. It is a sacrifice made on behalf of millions of people who don't have to risk anything . . . Watkins' sacrifice on behalf of freedom will help protect many lives in the future. The world was better with Watkins in it, and it is safer because he was willing to fight to make it that way.

Truer words were never written.

William Watkins was recently promoted to lieutenant colonel. A promotion well deserved. He graduated from the U.S. Naval academy in 1989 and served as a flight officer in the Navy for 12 years. In 2001, he transferred to the Air Force to continue his service to his country—where he served as a weapons system officer. He loved this country.

Serving our country wasn't something Lieutenant Colonel Watkins ''did.'' It was something he lived. His wife, Major Melissa Watkins, continues to serve our country as an intelligence officer. And while we will never know

her and her children's loss or pain, we continue to hold them in prayer and support them in all ways possible.

No tribute, no speech will replace Lieutenant Colonel Watkins. His children will grow up never knowing this truly great American. He will be missed. And, while it certainly does not fill the void left by his death, the greatest tribute to his life can be summed up by one act, one moment that will live in each of our memories forever.

It is the moment that a free Iraqi people, liberated from the chains of oppression, gathered in central Baghdad, breathed their first breaths of freedom and tore down the statue of the vile, ruthless dictator Saddam Hussein.

So, each time we see that footage of that historic event, each time we hear of the end of Saddam's ruthless, torturous regime, each time an Iraqi speaks their mind, we should, we must, remember the sacrifices of great, giving American servicemen and women like LTC William Watkins.

May he rest in peace, knowing how grateful we are and that we will support his family.

REQUEST FOR SEQUENTIAL REFERRAL—S. 1035

Mr. WARNER. Mr. President, I ask unanimous consent a letter to the honorable BILL FRIST be printed in the RECORD.

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

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, May 8, 2003.

Hon. BILL FRIST,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR MR. LEADER: Pursuant to section 3(b) of S. Res. 400 of the 94th Congress, I request that S. 1025, the Intelligence Authorization Act for Fiscal Year 2004, which was reported out on May 8, 2003, by the Select Committee on Intelligence, be sequentially referred to the Committee on Armed Services for a period not to exceed thirty days of session.

With kind regards, I am

Sincerely,

JOHN WARNER,
Chairman.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. In the last Congress Senator KENNEDY and I introduced the Local Law Enforcement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred September 19, 2001 in New York, NY. A 30 year-old Muslim man was assaulted by a group of six to eight men. The attackers shouted anti-Arab insults and pelted him with stones. The attackers fled before authorities could apprehend them.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

TAKE OUR DAUGHTERS TO WORK DAY

Ms. LANDRIEU. Mr. President, as you walk the halls of the Senate today, you may have noticed many young and bright faces. Today, we are celebrating the 11th anniversary of ''Take Our Daughters to Work Day.'' Senator Hutchinson and I have been pleased to oversee today's activities with our colleagues.

Over 11 million girls ages 9 to 15 are spending today with their parents, relatives, friends, neighbors, and other mentors experiencing the wide range of careers the world has to offer.

Since 1993, 82 million young women and some young men have participated in this outstanding program. According to a recent poll commissioned by the Ms. Foundation for Women, girls believe the program increased their interest in education, broadened their thinking about the future, and strengthened their relationship with their parents and other caring adults.

This morning's Senate activities began with a breakfast and a tour of the Senate floor for approximately 200 girls and their sponsors, many of them Senate staff members and assistants who wanted to share with their girls the excitement and challenges of working in our Nation's Capitol, and in particular, here in the Senate.

This year, I am happy to host 19 young ladies, all with very promising futures, many from my home State of Louisiana. Please welcome: Miss Leslie Ann Leavoy of DeRidder, LA; Miss Monica Manning of Conyers, GA; Miss Sofia Gold of Chevy Chase, MD; Miss Nicoleta Koha and Miss Joyanna Malutinok of Lexington, MA; Miss Eliza Shaw, Miss Molly Claire Shaw, Miss Lindsey McDonough, Miss Allison McDonough, Miss Janie Abernathy, and Miss Kerry Garikes of Washington, DC; Miss Adrienne Lewis and Miss Megan Johnson of Baton Rouge, LA; Miss Caroline Mitchell of Mandeville, LA; Miss Jillian Baker of McLean, VA; Miss Taylor Denson and Miss Emma Caffery of New Orleans, LA; Miss Lena Jones of Fort Gordon, GA; and Miss Katy Magruder of Maitland, FL.

In closing, I would like to thank the Ms. Foundation the founder and organizer of this outstanding program that has impacted in a very positive way the lives of millions of girls and has become a tradition for thousands of workplaces around the country.

IN HONOR OF NATIONAL NURSES WEEK 2003

Mr. SANTORUM. Mr. President, I rise today in recognition of National Nurses Week, celebrated this year from May 5 through May 12. Our annual tribute to the women and men who give comfort to the ill and injured across the country reminds us that nurses stand daily on the front lines of the health care profession. This year, however, we should also be reminded of the brave nursing professionals who serve on and behind the front lines of battle: America's military nurses. With our campaign in Iraq coming to a close, it is fitting to honor the patriots who mend and support our Armed Forces in the field, in addition to those who keep us healthy at home.

The first official military nurse corps in the United States was established in the Army at the turn of the last century. American women, however, had served as combat nurses in every major conflict since the Revolutionary War and, until the creation of the Army Nurse Corps, did so without recognition and as volunteers. In grade school we learned the story of Clara Barton and the gracious care she gave to soldiers wounded in the Civil War. But there were many women throughout American history—quite often the wives, mothers, daughters, and sisters of military men—who took up the role of nurse and treated the injured. They were compelled by genuine concern, kindness, and patriotism, and they used whatever supplies were available to them in their homes and neighborhoods.

In the First and Second World Wars, nursing was the predominant service women were allowed to perform as participating members of the military. During these wars and in conflicts since, nurses have sacrificed their safety and, at times, their lives in serving overseas as medical professionals. Here in our Nation's Capital, as part of the Vietnam Memorial on the National Mall, there is a very poignant statue dedicated to the nurses who joined our troops in Southeast Asia. The image illustrates the important integration of medical care givers in successful military operations and the strength of these women who traveled to Vietnam and faced the same dangers and perils our soldiers did. In the gulf war, Afghanistan, and Iraq, military nurses have continued to exhibit this resolve and calm while tending to our Armed Forces. For a wounded soldier abroad, I can imagine no greater comfort.

My appreciation for those who serve our communities and our Nation through the nursing profession stems from my experiences growing up on the campus of a Veterans Administration, VA, hospital. Additionally, my mother, sister, and wife all have nursing backgrounds and I have witnessed their commitment to quality health care and to their patients throughout my life. As we honor the women and men who are dedicated to this profession in clinics, hospitals, and VA facilities across

the country, we also honor those nurses who are themselves veterans. They are soldiers of a different, yet equally brave, stripe and they are certainly heroes to the wounded troops they help to bring home. I hope my Senate colleagues will join me in recognizing and thanking America's nurses, military and civilian, for the incredible, indispensable, and courageous work they do.

Mr. NELSON of Nebraska. I commend the 20,000 registered nurses working in Nebraska as we celebrate National Nurses Week. From May 6–12, we recognize the diverse ways in which registered nurses, the largest health care profession, are working to improve health care. From bedside nursing in hospitals and long-term care facilities to the halls of research institutions, State legislatures, and Congress, the depth and breadth of the nursing profession is meeting the expanding health care needs of American society.

I also urge more Nebraskans to consider nursing as a career. Although nursing is one of the most noble professions, more nurses are desperately needed. The Department of Health and Human Services predicts that the number of nursing vacancies nationwide will rise from its current total of 126,000 to 275,000 in 2010. The shortage of nurses in Nebraska is also reaching epidemic proportions, with one in 10 nursing positions unfilled.

My colleagues and I want to provide more educational opportunities for people who want to become nurses. In response to the national nursing shortage, the Nurse Reinvestment Act of 2002 was signed into law in August 2002. The Nurse Reinvestment Act provides scholarships to nursing students who agree to provide 2 years of service in a health care facility with a critical nursing shortage. It also allows for the canceling of up to 85 percent of a student's graduate studies loans if they later teach at a school of nursing. The act also provides grants to improve nurse education, practice, and retention as well as a program for training and education in geriatric care that will enable nurses to better serve the growing population of older Americans. State and national public service announcements will promote nursing and raise awareness of the financial assistance that is available.

A loan forgiveness program is also available. The Nurse Education Loan Repayment Program will pay 60 percent, or up to $30,000, of an RN's student loan balance in exchange for 2 years of service. If an eligible participant elects to stay for another year, an additional 25 percent of the loan, or up to $7500, will be repaid.

Nebraska also has a loan forgiveness program for nursing students. A limited amount of $1,000 loans are awarded each year. The loan is forgiven if the graduate practices nursing in Nebraska for at least 1 year following graduation.

Again, I commend the work of Nebraska's nurses and send my best wishes during National Nurses Week.

FLORIDA VETERANS MOBILE SERVICE CENTER COMES TO THE HILL

Mr. GRAHAM of Florida. Mr. President, I am enormously proud that on Tuesday, the Florida Veterans Mobile Service Center came to Capitol Hill as part of the National Coalition for Homeless Veterans Annual Membership Meeting and Conference.

The Florida Veterans Mobile Service Center is a 40-foot van equipped with two exam rooms, as well as facilities for dental care. The Center travels the State of Florida providing care to homeless veterans who live in rural encampments. The unit offers homeless veterans immediate assistance of food and clothing, health screening and assessment, VA benefit determination and counseling, as well as assessment of housing, mental health, substance abuse, employment, educational and vocational needs. That the Center is mobile, allows its team—comprised of staff from Volunteers of America and Department of Veterans Affairs—to go where their assistance is most needed.

This community service provider offers homeless veterans a unique way to receive quality care while still ensuring their sense of dignity and respect. I take pride in the fact that my State offers this initiative, effective source of help to our Nation's veterans. We all owe those who risked their lives defending this country a debt of gratitude, and I am so thankful to the Center's hardworking, compassionate team for doing their part in paying that debt.

I especially want to point out the dedication of Scott Martin, who drove more than 900 miles to bring the Florida Veterans Mobile Service Center from Tampa, FL, to Washington, DC. I also would like to thank Kathryn Spearman, president and CEO of Volunteers of America of Florida, Ray Tuller, chief financial officer of Volunteers of America of Florida, and Ed Quill, director of external affairs for Volunteers of America of Florida, all of whom joined Scott here in Washington.

ADDITIONAL STATEMENTS

TRIBUTE TO MARLENE PERLING

• Mr. COLEMAN. Mr. President, I ask that the following article recognizing the generosity of Marlene Perling toward Zachary Wood and his family be printed in the RECORD.

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

[From the Duluth News Tribune, May 8, 2003]

A STRANGER . . . A BOY . . . A GIFT; A WIDOW'S OFFER TO THE FAMILY OF A DISABLED 10-YEAR-OLD FULFILLS HER WISH AND ZACHARY WOOD'S DREAM

(By Chuck Frederick)

INTERNATIONAL FALLS, MINN.—Fourth-grader Zachary Wood and his family are still numb, perhaps from pinching themselves so much.

Two weeks ago, Zachary's dad, Terry Wood, was raking the yard when a neighbor dropped by, wondering if the family was interested in a used van with a wheelchair lift. Zachary has spina bifida and has used a wheelchair since he was a toddler. A new van with a lift was definitely in the family's future—perhaps next year, Terry Wood thought, when their current car was paid off.

The neighbor leaned in.

''You really should take a look at this van,'' he said. ''I think you can get a really good deal.''

So Terry Wood hoisted Zachary, 10, into the family car as his wife, Tammy, and 15-year-old daughter, Jenna, hopped in. They motored to nearby Rainy Lake. It was a nice van—full-size Ford, motorized lift, low miles and no rust.

''I'm supposed to show you the pontoon boat and house, too,'' said the Woods' neighbor, a cousin of the home's owner.

''Uh, sure,'' said the Woods, a bit puzzled. But they decided not to pass up a chance to check out a beautiful lakefront property.

The boat and the house were, like the van, equipped with ramps and sturdy, level surfaces that made it easy for Zachary to get around. He wheeled across wide decks with breathtaking lake vistas. Inside, he rolled under knotty pine ceilings. The house even had an elevator.

''It's fantastic. Thanks for the tour,'' Terry Wood said. He started to ask about the van and its price, but the neighbor interrupted.

''Now, couldn't you kids just picture yourself living here?'' he asked.

''Yeah, right, in our dreams,'' said Terry Wood, an International Falls police officer for 13 years.

''Maybe if we win the lottery,'' said Tammy Wood, who works at Rainy Lake Community College.

The both laughed, but sometimes dreams come true.

SUMMERS ON THE LAKE

David Perling was born in International Falls and grew up in Iowa. When he was 15, he and some buddies were goofing around on a wagon, throwing hay at each other. Perling weaved to the side to avoid an attack, but lost his balance and crashed to the ground. The wagon rolled over him twice, paralyzing him.

He went on to become an electrical engineer. Six years ago, he and his wife decided they wanted to spend summers back in his hometown and on Rainy Lake. His late uncle's place was available. It would be perfect for escaping the triple-digit heat in Arizona, where David and Marlene Perling lived for more than three decades.

They lived at Rainy Lake for six straight summers. It was their place. The sun rises over Canada. The loons call.

They planned to return this summer, too. But in January, David Perling suffered a stroke and died. He was 61.

A Rainy Lake neighbor called Marlene Perling in the spring about buying the lakefront place. She didn't know what to say.

''I can never put a price on this house. To me it's just priceless,'' she said. ''But I also know that I could never come up without David. I cried a ton of tears. I knew I just couldn't sell this place.''

She prayed for an answer. And then it came to her.

''I decided I wanted to give it to a family who could benefit from it, who could enjoy it as much as David and I enjoyed it those six years,'' she said. ''That's what I decided I wanted to do. It was all a very sudden thing, but it's also the right thing.''

Marlene Perling's cousin Dorlyn Desens of International Falls heard of her intentions. He immediately thought of the nice family living across the street. How many times had he seen the father lift the little boy from his wheelchair to place him in the car? How much longer could his back tolerate the strain?

Desens spotted Terry Wood outside raking. He went over to chat.

DREAM BECOMES REAL

At the lake house two weeks ago, Desens put Terry and Tammy Wood on the phone with his cousin.

''How do you like the van?'' Marlene Perling asked.

''The rest of the conversation is a blur to me,'' Terry Wood said Tuesday. He agreed it went something like this:

The Woods: ''Very nice. But we're not sure we can buy it right now. We're still paying off our car and we just built a house.'' Their house in town is 2½ years old.

Perling: ''Well then, just take it.''

The Woods: ''What do you mean? Just take the van?''

Perling: ''Take it all. The house. The boat. The van. It's all free. I just want you to enjoy it. Please enjoy it.''

''That's when our knees started shaking and Tammy started crying,'' Terry Wood said. ''It's a pretty incredible story, huh? We're still floating.''

''I know it's meant to be,'' Perling said. ''God orchestrated this whole thing. He took me step by step. He led me to this family. I asked God to show me a family who could benefit from this. They are all that and more.''

ZACHARY CAN'T WAIT

Zachary is most eager to go fishing with his grandfather. The boy has had 29 surgeries since birth. His spinal cord never developed completely. He suffers respiratory problems, and his vocal cords are paralyzed.

His prognosis is good, however; he's expected to lead a full life, his parents said.

But he has never been able to get in a boat with his grandfather until now.

On Monday, Marlene Perling and the Woods gathered in a lawyer's office in International Falls. She signed over the deed. She even decided to leave behind all the leather and woodsy moose-motif furniture. It was too much of a hassle to take back to Arizona, she said; the moving company wanted more than $7,000.

The Woods plan to move into their new home after school lets out. With the place fully furnished, they plan to keep only their most cherished possessions.

The rest?

''Give it away,'' Tammy Wood said.●

OREGON HEALTH CARE HERO

● Mr. SMITH. Mr. President, I rise today to salute Oregonian Laure Trickel, a coronary care nurse who is saving the lives of Oregon teenagers through her Heart Ready High Schools Program. Because Laure saw an impending health threat in Oregon schools, envisioned a solution and made every effort to implement her plan, she is an Oregon ''Health Care Hero.''

Over the past few years, Oregonians have seen several cardiac events threaten the lives of Oregon teenagers during school-sponsored sporting events. Tragically, we have lost more than one treasured teen to an unexpected heart attack on the fields and courts of our schools.

Two cardiac events occurred at Ashland High School in Laure Trickel's southern Oregon hometown. As a coronary care nurse, Laure quickly saw that high schools were simply not prepared to deal with these events, where time is of the essence and technology is critical to saving lives. In Laure's own words, ''Although a high school could be as prepared as possible for a person with a weapon of violence, it was not at all prepared for the number one killer of Americans: heart disease and sudden cardiac arrest.''

In response, Laure created the Heart Ready High Schools Program, asking local hospitals to donate automated external defibrillators, AED, to local high schools. She also asked the hospitals to provide training for staff and students, to ensure that the school would be ready to effectively respond in an emergency should another tragedy occur.

After the first donation by Ashland Community Hospital, several other Oregon hospitals caught Laure's vision and decided to help. I join the parents of students at Ashland, Crater, Eagle Point, Butte Falls, and Prospect high schools in thanking Ashland Community Hospital, Rogue Valley Medical Center, the Children's Miracle Network, Providence, and Medford Medical Center for making these lifesaving devices and training available. Since that time, Merle West Medical Center and the KMSB Foundation have provided similar equipment and skill training to three Klamath Falls high schools, spreading this critical program further across our State.

These are difficult financial times for both schools and hospitals, and I applaud these community hospitals for responding to this great need with their time and limited funds. Many Oregon students will owe their lives to the quick emergency treatment they will receive should a cardiac event occur.

Most of all, I am grateful to Laure Trickel for finding a way to prevent needless death among Oregon students. Making a difference requires vision, great courage, a willingness to ask for help, and following through. Laure has done all these things, and we owe her our great thanks. She is a true ''Health Care Hero'' for Oregon.●

CELEBRATING THE 10TH ANNIVERSARY OF THE REVLON RUN/WALK FOR WOMEN IN LOS ANGELES

● Mrs. FEINSTEIN. Mr. President, today I rise to recognize the efforts of the more than 60,000 men, women, and children who will be meeting at the Los Angeles Memorial Coliseum at Exposition Park on Saturday, May 10, 2003, to celebrate the 10th anniversary of the Revlon Run/Walk and to raise funds for women's cancers. The largest 5K event in the Nation, the Revlon Run/Walk, presented by the Entertainment Industry Foundation, EFT, and cochaired by Ellen Barkin, Ronald O. Perelman and Lilly Tartikoff, will raise funds to target research that will contribute to the development of important new therapies, such as Herceptin to treat breast cancer, the first in the wave of new targeted cancer treatments.

To date, the Revlon Run/Walk in Los Angeles and New York has raised more than $27 million since its beginning in Los Angeles a decade ago. The Revlon Run/Walk in Los Angeles will be hosted by Debra Messing and Billy Crystal along with Revlon spokespersons Karen Duffy and Jaime King.

The Los Angeles area beneficiaries for 2003 include: The Revlon/UCLA Women's Cancer Research Program, National Women's Cancer Research Alliance (NWCRA), the Wellness Community, WIN Against Breast Cancer, USC/Norris Comprehensive Cancer Center and Hospital Ovarian & Breast Cancer Program, the UCLA Digital Mammography Program, T.H.E., The Help Everyone, Clinic, Inc., Los Angeles Breast Cancer Alliance, John Wayne Cancer Institute, Breast Cancer Research Program, Women of Color Breast Cancer Survivors Support Program, Team Survivor Los Angeles, Providence Saint Joseph Foundation, Art of Healing—Women's Health, Gilda Radner Ovarian and Breast Cancer Detection Program at Cedars Sinai Medical Center, Asian Pacific Health Care Venture, Inc. (ACPHCV), and weSpark.

Today, 1 in 27 American women will die of breast cancer. According to the American Cancer Society, every 2.5 minutes a woman is diagnosed with breast cancer, every 13 minutes a woman dies of breast cancer, and this year alone 54,100 women will lose their lives to breast and ovarian cancer. For a woman with ovarian cancer today, there is still no method of early detection.

In my home State of California, the American Cancer Society is predicting this year that more than 26,300 women will be diagnosed with breast and other women cancers and more than 5,500 grandmothers, mothers, wives, daughters, sisters, cousins, and friends will die.

The facts serve as a reminder that there is still so much to be done. Mammograms are a proven method of early detection. Unfortunately a large portion of women are not getting screened.

The continuing fight requires many levels of commitment and I want to congratulate all those individuals involved in this worthwhile event as they celebrate both Mother's Day and the 10-year anniversary of the Revlon Run/Walk. The thousands running in Los

Angeles represent the millions hoping for an end to cancer. I, too, look forward to a day without cancer.●

ASIAN-PACIFIC AMERICAN HERITAGE MONTH

● Mr. DAYTON. Mr. President, today, I rise to speak about the importance of the Asian-Pacific American experience in my home State of Minnesota. During this month, designated Asian-Pacific American Heritage Month, we are proud to celebrate the many ways in which the culture of our Asian citizens enriches us as Minnesotans and Americans.

In Minnesota, we celebrate with a myriad of public events throughout the State, including a Burmese cultural exhibition, dance workshops, musical performances, picnics, banquets, flea markets, and festivals. For this year's theme, the Minnesota State Council on Asian-Pacific Minnesotans has chosen ''Experience Freedom,'' a thread which runs through the stories of so many Asian Americans.

Each generation of immigrants to this country has pursued a freedom not known in their homelands. Chinese, Japanese, and Filipino settlers sought out Minnesota in the late 19th century, hoping to find broad economic opportunities. This same goal motivated Korean and other Asian immigrants who left their countries to find unparalleled opportunities.

More recently, Asians have come to Minnesota seeking refuge from war. Tibetans, Hmong, Vietnamese, and Cambodians escaped from a country ravaged by war and unrest. Here, they found freedom, peace, and new avenues for fulfillment, and achievement. I am especially proud to say that with the recent election of State Representative Cy Thao, Minnesota now has two legislators of Hmong descent.

Thanks to the infusion of Asian-Pacific influences, Minnesota virtually vibrates with new ideas, philosophies, and folkways. Individually and collectively, Asian-Pacific citizens have made significant contributions to their communities, accomplishments which the State Council on Asian-Pacific Minnesotans recognizes by conferring four Annual Leadership Awards. I am pleased to join in honoring these outstanding individuals and organizations.

Jasmine Dinh has received the Professional Leadership and Community Service Award. Her commitment to public service has led her to cofound Asian Women United of Minnesota, a nonprofit organization devoted to ending violence against Asian women; to create a battered women's shelter in Minneapolis, one of the few focused on Asian American women; to serve on the staff of United States Representative Bill Luther; and to become deeply involved in the Vietnamese Community of Minnesota Organization. Recently, she opened her own business, Jasmine's Coffee and Tea House, while still working full time as a senior program manager for the Minnesota Partnership for Action Against Tobacco.

Jodie Tanaka has been recognized with the Professional Leadership Award. The owner, CEO, and president of Tanaka Advertisting, a business established by her father, Jodie developed the company into the highly successful entity it is today. Among her clients, she counts other notable Minnesota companies, including U.S. Bank, the Minnesota Twins, Northwest Airlines, and Davanni's. Her hard work and excellence in her field have consistently been acknowledged by awards from Minnesota's community of business professionals.

Dragon Festival Planning Committee is this year's Community Service Award winner. The committee has built on the original Asian American Festival, a lively and popular annual event since 1997. The newly named Dragon Festival has grown to include not only a parade but also a dragon boat race.

Kogen Taiko, players of traditional Japanese drums, have received this year's award for community service and excellence in the arts. The oldest taiko drumming ensemble in Minnesota, Kogen Taiko, preserves Japanese drumming techniques while also incorporating multiple American rhythms. The result is original Japanese-American music. The group's performances have movingly affirmed the sometimes painful Japanese experience in America. In addition, they are extensively involved in the community, having used proceeds from a benefit concert to help pay medical bills for a deceased friend and to establish an education fund for his children.

In addition to these distinguished Leadership Award winners, I would like to pay tribute to two other remarkable people.

Adeel Lari served as president of the Council on Asian-Pacific Minnesotans from 1994 to 2002. Thanks to his leadership, the council has become a driving force in educating the larger community about matters important to Asians in Minnesota. Adeel has also spent the past 28 years at the Minnesota Department of Transportation. His dedication to his community is exemplary.

Minneapolis Police Officer Duy Ngo has served the department honorably for over 5 years and was recently assigned to the Minnesota Gang Strike Force, helping to curb gang membership and violence in our State. In addition, he is a sergeant in the Army Reserves. Officer Ngo is recovering well from injuries received when he was shot while working undercover. Like all Minnesotans, I deeply appreciate the bravery of officers like Duy Ngo who put their lives on the line every day to protect their fellow citizens.

It is entirely appropriate for us to designate a special time to pay tribute to the many contributions of Americans of Asian or Pacific ancestry. At the same time, I wish to emphasize the value of the many talents, strengths, and unique qualities they consistently bring to us. We welcome and cherish their distinctive gifts and customs.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 12:04 p.m., a message from the House of Representatives. delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 100. An act to restate, clarify, and revise the Soldiers' and Sailors' Civil Relief Act of 1940.

H.R. 766. An act to provide for a National Nanotechnology Research and Development Program, and for other purposes.

H.R. 866. An act to amend the Federal Water Pollution Control Act to enhance the security of wastewater treatment works.

H.R. 1609. An act to redesignate the facility of the United States Postal Service located at 201 West Boston Street in Brookfield, Missouri, as the ''Admiral Donald Davis Post Office Building''.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 53. Concurrent resolution authorizing the use of the Capitol Grounds for the Greater Washington Soap Box Derby.

H. Con. Res. 96. Concurrent resolution authorizing the use of the Capitol Grounds for the National Peace Officers' Memorial Service.

The message further announced that pursuant to section 1238(b) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106–398), as amended by division P of the Consolidated Appropriations Resolution, 2003, the Speaker reappoints the following members on the part of the House of Representatives to the United States-China Security Review Commission: Mr. Stephen D. Bryen of Maryland for a term to expire December 31, 2005; Ms. June Teufel Dryer of Florida for a term to expire December 31, 2003; Mr. Larry Wortzel of Virginia for a term to expire December 31, 2004.

The message also announced that pursuant to section 1238(b) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106–398), the Minority Leader appoints the following individual to the

United States-China Security Review Commission: Ms. Carolyn Bartholomew of the District of Columbia, for a term that expires December 31, 2004.

ENROLLED BILL SIGNED

The following enrolled bill, previously signed by the Speaker of the House, was signed on today, May 8, 2003 by the President pro tempore (Mr. BYRD).

H.R. 289. An act to expand the boundaries of the Ottawa Wildlife Refuge Complex and the Detroit River International Wildlife Refuge.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 100. An act to restate, clarify, and revise the Soldiers' and Sailors' Civil Relief Act of 1940; to the Committee on Veterans' Affairs.

H.R. 766. An act to provide for a National Nanotechnology Research and Development Program, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 866. An act to amend the Federal Water Pollution Control Act to enhance the security of wastewater treatment works; to the Committee on Environment and Public Works.

H.R. 1609. An act to redesignate the facility of the United States Postal Service located at 201 West Boston Street in Brookfield, Missouri, as the ''Admiral Donald Davis Post Office Building''; to the Committee on Governmental Affairs.

MEASURES PLACED ON THE CALENDAR

The following bills were read the second time, and placed on the calendar:

S. 1009. A bill to amend the Foreign Assistance Act of 1961 and the State Department Basic Authorities Act of 1956 to increase assistance to foreign countries seriously affected by HIV/AIDS, tuberculosis, and malaria, and for other purposes.

S. 1019. A bill to amend titles 10 and 18, United States Code, to protect unborn victims of violence.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–2223. A communication from the Under Secretary of Defense, Acquisition, Technology and Logistics, Department of Defense, transmitting, pursuant to law, the report entitled ''Distribution of Department of Defense Depot Maintenance Workloads Fiscal Years 2003 and 2007'' received on April 30, 2003; to the Committee on Armed Services.

EC–2224. A communication from the Under Secretary of Defense, Personnel and Readiness, Department of Defense, transmitting, pursuant to law, the report of a closing of the Department of Defense commissary at Fort Monroe, VA effective July 31, 2003; to the Committee on Armed Services.

EC–2225. A communication from the Under Secretary of Defense, Comptroller, Department of Defense, transmitting, pursuant to law, the report relative to a procurement contract for the Family of Medium Tactical Vehicles (FMTV); to the Committee on Armed Services.

EC–2226. A communication from the Attorney-Advisor, Department of Transportation, transmitting, pursuant to law, the report of the designation of an acting officer for the position of Secretary of the Navy, received on May 2, 2003; to the Committee on Armed Services.

EC–2227. A communication from the Secretary of Energy, transmitting, pursuant to law, the report entitled ''Department of Energy Activities Relating to the Defense Nuclear Facilities Safety Board, received on April 30, 2003; to the Committee on Armed Services.

EC–2228. A communication from the Alternate FRLO, Office of the Secretary, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''TRICARE: Eligibility and Payment Procedures for CHAMPUS Beneficiaries Age 65 and Over (0720–AA66)'' received on April 30, 2003; to the Committee on Armed Services.

EC–2229. A communication from the Assistant Secretary of Defense and Director, Office of Personal Management, transmitting, pursuant to law, the report entitled ''Joint Evaluation by the Department of Defense (DOD) and Office of Personnel Management (OPM) of the Federal Employees Health Benefits Program (FEHBP) Demonstration: Second Report to Congress'' received on April 30, 2003; to the Committee on Armed Services.

EC–2230. A communication from the Assistant Secretary of the Navy, Installations and Environment, transmitting, pursuant to law, the report relative to analyzing optical fabrication enterprises employing military and civilian personnel for the divestiture to the private sector; to the Committee on Armed Services.

EC–2231. A communication from the Program Manager, Pentagon Renovation Program, Office of the Secretary of Defense, Department of Defense, transmitting, pursuant to law, the report entitled ''The Renovation of the Pentagon'' received on April 30, 2003; to the Committee on Armed Services.

EC–2232. A communication from the General Counsel, Department of Defense, transmitting, pursuant to law, the report of legislative initiatives that are part of the National Defense Authorization Act for Fiscal Year 2004, received on April 30, 2003; to the Committee on Armed Services.

EC–2233. A communication from the Director, Regulations Policy and Management, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Change of Address; Technical Amendment'' received on April 30, 2003; to the Committee on Health, Education, Labor, and Pensions.

EC–2234. A communication from the Director, Regulations Policy and Management, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Records and Reports Concerning Experience With Approval New Animal Drugs (0910–AC42)'' received on April 30, 2003; to the Committee on Health, Education, Labor, and Pensions.

EC–2235. A communication from the Regulations Coordinator, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Head Start Program (0970–AB54)'' received on April 30, 2003; to the Committee on Health, Education, Labor, and Pensions.

EC–2236. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report entitled ''Fiscal Year 2002 Prescription Drug User Fee Act of 1992 Financial Report'' received on April 30, 2003; to the Committee on Health, Education, Labor, and Pensions.

EC–2237. A communication from the General Counsel, National Science Foundation, transmitting, pursuant to law, the report of a rule entitled ''Final Rule on Antarctic Meteorites, 45 CFR Part 674 (3145–AA40)'' received on April 30, 2003; to the Committee on Health, Education, Labor, and Pensions.

EC–2238. A communication from the President, United States Institute of Peace, transmitting, pursuant to law, the report entitled ''Consolidated Financial Statements and Additional Information for Year ended September 30, 2002 and 2001'' received on April 30, 2003; to the Committee on Health, Education, Labor, and Pensions.

EC–2239. A communication from the Attorney-Advisor, Department of Transportation, transmitting, pursuant to law, the report of a nomination confirmed for the position of Deputy Administrator, Federal Aviation Administration; to the Committee on Commerce, Science, and Transportation.

EC–2240. A communication from the Chief Financial Officer, Department of Housing and Urban Development, transmitting, pursuant to law, the report of the Department of Housing and Development's inventory of commercial activities for the year 2002; to the Committee on Governmental Affairs.

EC–2241. A communication from the Director, U.S. Trade and Development Agency (USTDA), transmitting, pursuant to law, the report of a the USTDA Annual Performance Plan for Fiscal Year (FY) 2004; to the Committee on Governmental Affairs.

EC–2242. A communication from the Chairman, National Endowment for the Humanities, transmitting, pursuant to law, the report of the Fiscal Year 2002 Performance Report of the National Endowment for the Humanities; to the Committee on Governmental Affairs.

EC–2243. A communication from the Secretary to the Council, Council of the District of Columbia, transmitting, pursuant to law, the report on Council Resolution 15-86 ''Sense of the Council on Maintaining Open Spaces for Demonstrations in the District of Columbia Emergency Resolution of 2003'' received on April 30, 2003 ; to the Committee on Governmental Affairs.

EC–2244. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, the report relative to Federal Employees Clean Air Incentives; to the Committee on Governmental Affairs.

EC–2245. A communication from the Assistant Secretary, Legislative Affairs, transmitting, pursuant to Arms Export Control Act, the report on the export of Defense articles that are firearms controlled under category I of the United States Munitions List Sold commercially under a contract in the amount of $1,000,000 or more to Columbia; to the Committee on Foreign Relations.

EC–2246. A communication from the Assistant Secretary, Legislative Affairs, transmitting, pursuant to law, the report relative to shrimp harvesting technology that may adversely affect certain sea turtles; to the Committee on Foreign Relations .

EC–2247. A communication from the Assistant Secretary, Legislative Affairs, transmitting, pursuant to law, the report on Nuclear Nonproliferation in South Asia, received on April 30, 2003; to the Committee on Foreign Relations.

EC–2248. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, the report relative to international agreements other than treaties entered into by the United States under the Case-Zablocki Act with Bulgaria, Economic Community of West African States, Djibouti and

Denmark, received on April 30, 2003; to the Committee on Foreign Relations.

EC–2249. A communication from Chairman of the Subcommittee on Commerce, Justice, State and Judiciary, U.S. House of Representatives, transmitting, the report of a letter that is relative to China's Human Rights Record; to the Committee on Foreign Relations.

EC–2250. A communication from the Rules Administrator, Office of General Counsel, Federal Bureau of Prisons, Department of Justice, transmitting, pursuant to law, the report of a rule entitled ''Bureau of Prisons Emergencies - Interim Final Rule (1120-AB17)'' received on April 28, 2003; to the Committee on the Judiciary.

EC–2251. A communication from the Director, Regulations & Forms Services Division, Bureau of Citizenship and Immigration Services, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Electronic Signature on Applications and Petitions for Immigration and Naturalization Benefits (1615-AA83)'' received on April 30, 2003; to the Committee on the Judiciary.

EC–2252. A communication from the Chairman, United States Sentencing Commission, transmitting, pursuant to law, the report on amendments to sentencing guidelines, policy statements and official commentary, received on May 2, 2003; to the Committee on the Judiciary.

EC–2253. A communication from the Chairman, United States Sentencing Commission, transmitting, pursuant to law, the report entitled ''Report to the Congress: Increased Penalties for Campaign Finance Offenses and Legislative Recommendations'' received on May 2, 2003; to the Committee on the Judiciary.

EC–2254. A communication from the Chairman, United States Sentencing Commission, transmitting, pursuant to law, the report entitled ''Report to Congress: Increased Penalties for Cyber Security Offenses'' received on May 2, 2003; to the Committee on the Judiciary.

EC–2255. A communication from the Assistant Secretary, Legislative Affairs, transmitting, pursuant to law, the report of a rule entitled ''Documentation of Nonimmigrant Under the Immigration and Nationality Act, as Amended—Victims of Severe Forms of Trafficking in Persons (22 CFR Parts 40 and 41)'' received on May 2, 2003; to the Committee on the Judiciary.

EC–2256. A communication from the Acting Associate Attorney General, Department of Justice, transmitting pursuant to law, the report relative to the Department of Justice's 2002 annual report on certain activities pertaining to the Freedom of Information Act; to the Committee on the Judiciary.

EC–2257. A communication from the Attorneys General, transmitting, pursuant to law, the report relative to Foreign Intelligence Surveillance Court; to the Committee on the Judiciary.

EC–2258. A communication from the Director, Federal Judicial Center, transmitting, pursuant to law, the report entitled ''Federal Judicial Center's annual report for the 2002 calendar year'' received on April 30, 2003; to the Committee on the Judiciary.

EC–2259. A communication from the Secretary, Judicial Conference of the United States, transmitting, pursuant to law, the report relative to the Judicial Conference recommendations affecting dollar amounts in the Bankruptcy code; to the Committee on the Judiciary.

EC–2260. A communication from the Secretary, Federal Trade Commission, transmitting, pursuant to law, the report of a document entitled ''College Scholarship Fraud Prevention Act of 2000 - Second Annual Report to Congress'' received on May 1, 2003; to the Committee on the Judiciary.

EC–2261. A communication from the Director, Administrative Office of the United States Courts, transmitting, pursuant to law, the report of a document entitled ''2002 Wiretap Report'' received on April 28, 2003; to the Committee on the Judiciary.

EC–2262. A communication from the Staff Director, United States Commission on Civil Rights, transmitting, pursuant to law, the report relative to the recharter of the Minnesota State Advisory Committee (SAC), received on April 16, 2003; to the Committee on the Judiciary.

EC–2263. A communication from the Secretary, Fish, Wildlife and Parks, Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants; Final Designations and Nondesignations of Critical Habitat for 60 Plant Species From the Islands of Maui and Kahoolawe, Hawaii; Final Rule (1018–AH70)'' received on May 5, 2003; to the Committee on Environment and Public Works.

EC–2264. A communication from the Assistant Secretary, Fish, Wildlife and Parks, Fish and Wildlife, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants; Final Designations or Nondesignations of Critical Habitat for 101 Plant Species From the Island of Oahu, Hawaii; Final Rule; to the Committee on Environment and Public Works.

EC–2265. A communication from the Assistant Secretary, Fish and Wildlife and Parks, Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants; final Designations and Nondesignations of Critical Habitat for Five Plant Species From the Northwestern Hawaiian Islands; Final rule (1018–AH09)'' received on May 5, 2003; to the Committee on Environment and Public Works.

EC–2266. A communication from the Acting Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation Implementation Plan; Illinois New Source Review Amendments (FRL 7481–3)'' received on May 7, 2003; to the Committee on Environment and Public Works.

EC–2267. A communication from the Acting Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans, and Designation of Areas for Air Quality Planning Purposes, State of Illinois (FRL 7496–4)'' received on May 7, 2003; to the Committee on Environment and Public Works.

EC–2268. A communication from the Acting Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans; Emission Test Averaging (FRL 7487–5)'' received on May 7, 2003; to the Committee on Environment and Public Works.

EC–2269. A communication from the Acting Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of State Plan for Designation Facilities and Pollutants: Mississippi (FRL 7497–3)'' received on May 7, 2003; to the Committee on Environment and Public Works.

EC–2270. A communication from the Acting Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Clarification to Interim Standards and Practices for All Appropriate Inquiry Under CERLA (FRL 7496–2)'' received on May 7, 2003; to the Committee on Environment and Public Works.

EC–2271. A communication from the Acting Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''National Emission Standards for Hazardous Air Pollutants for Chemical Recovery Combustion Sources at Kraft, Soda, Sulfite, and Stand-Alone Semichemical Pulp Mills (FRL 7495–6)'' received on May 7, 2003; to the Committee on Environment and Public Works.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–91. A resolution from the Senate of the Legislature of the State of Louisiana reletive to the Pledge of Allegiance; to the Committee on the Judiciary.

SENATE CONCURRENT RESOLUTION NO. 1

Whereas, one of the founding principles of the United States of America was the free exercise of religion and religious beliefs; and

Whereas, the First Amendment to the Constitution of the United States provides that Congress shall make no law establishing a religion, or prohibiting the free exercise of religion; and

Whereas, Article I, Section 8 of the Louisiana Constitution of 1974 similarly prohibits the enactment of law respecting an establishment of religion or prohibiting the free exercise of religion; and

Whereas, the Pledge of Allegiance was written in 1892 as a means of celebrating the quadricentennial celebration of Columbus Day in 1892 and as patriotic oath and salute to the flag; and

Whereas, the words ''under God'' were added to the Pledge of Allegiance by Congress in 1954; and

Whereas, the display of symbolic patriotism contained in the words of the Pledge of Allegiance is more critical today than ever before in out Nation's history and should be maintained; and

Whereas, while the United States does not have a provision for a national referendum, Congress may vote to place a national referendum on the ballot as a constitutional amendment to maintain the words ''one nation under God'' in the Pledge of Allegiance, thus allowing the true will of the people to be heard: Therefore, be it

Resolved, That the Legislature of Louisiana does hereby memorialize the Congress of the United States to adopt and place on the ballot a national referendum to maintain the words ''one nation under God'' in the Pledge of Allegiance; and be it further

Resolved, That a copy of this Resolution be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana delegation to the United States Congress.

POM–92. A resolution adopted by the House of Representatives of the State of Delaware relative to immigrants in the U.S. Military; to the Committee on the Judiciary.

HOUSE CONCURRENT RESOLUTION NO. 20

Whereas, immigrants have a long history of service in the United States military, including service in major wars, including, but not limited to, World War I, World War II,

the Korean War, the Vietnam War, Operation Desert Storm, and the current war in Iraq; and

Whereas, the number of immigrants serving in the United States military has grown from 28,000 in 2000 to more than 37,000 today, and to date, immigrants comprise nearly 5 percent of all enlisted personnel on active duty in the United States Armed Forces and more than 20 percent of Congressional Medal of Honor recipients; and

Whereas, several immigrants have already lost their lives in Operation Iraqi Freedom, and service in the United States military, particularly in times of conflict, is the ultimate act of patriotism and duty served to the United States; and

Whereas, many immigrants on active duty are trying to become naturalized citizens and are required by law to be available at all times for military service but are only allowed to apply for United States citizenship after completing three years of service; and

Whereas, President George W. Bush recently issued an executive order conferring immediate eligibility for citizenship to immigrants serving on active duty in the United States Armed Forces to reward immigrants serving during the post-September 11 war on terrorism: Now, therefore, be it

Resolved, by the House of Representatives of the 142nd General Assembly of the State of Delaware, the Senate concurring therein, That the Legislature of the State of Delaware urges the President and the Congress of the United States to amend federal selective service and immigration laws to grant the right of citizenship to any and all immigrants honorably discharged from the military; and be it further

Resolved, That the Clerk of the House transmit copies of this resolution to the President and Vice President of the United States, and to the members of Delaware's congressional delegation.

POM–93. A resolution adopted by the Orange County Fire Authority Board of Directors of the State of California relative to first responders; to the Committee on the Judiciary.

POM–94. A resolution adopted by the Senate of the State of Kansas relative to the Pledge of Allegiance; to the Committee on the Judiciary.

SENATE RESOLUTION NO. 1827

Whereas, this nation was founded by people seeking a place where they could practice their religion freely; and

Whereas, the first settlers found themselves in a strange and strenuous land which required them to call upon the strength of their God and to place themselves in his trust; and

Whereas, our founding fathers, in creating our national constitution, assured the freedom of choice in one's practice of religion. However, our national leaders in times of stress have called upon our belief and trust in a superior being to see this nation through difficult times, and have acknowledged the continuous presence of our God by inscribing on our currency the reassuring phrase ''In God we trust'' and by including the phrase ''one Nation under God'' in our pledge of allegiance; and

Whereas, the strength of a nation can be measured in its citizens' desire for domestic tranquility and in their abiding belief in a supreme being. Accordingly, it is urged upon the Congress of the United States that this basic requirement of a great nation be recognized by amending our constitution as follows: ''Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), that the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several states within seven years after the date of its submission for ratification:

Section 1. The first amendment to the Constitution of the United States shall not be construed to prohibit the recitation of the Pledge of Allegiance to the Flag, which shall be, 'I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.'

Section 2. The first amendment to the Constitution of the United States shall not be construed to prohibit the recitation or use of the national motto, which shall be, 'In God we trust' ''; and

Whereas, we urge Congress to pass this Constitutional Amendment and to send it on to the individual states for their approval: Now, therefore, be it

Resolved by the Senate of the State of Kansas, That we memorialize the Congress of the United States to seek a constitutional amendment to protect the pledge of allegiance and our national motto; and be it further

Resolved, That the Secretary of the Senate be directed to provide an enrolled copy of this resolution to the President of the Senate and the Speaker of the House of Representatives of the United States Congress and to each member of the Kansas Congressional Delegation.

POM–95. A resolution adopted by the House of Representatives of the State of Delaware relative to Free Trade; to the Committee on Finance.

HOUSE CONCURRENT RESOLUTION NO. 12

Whereas, the United States should promote the values of freedom, democracy, and a commitment to open markets and the free exchange of both goods and ideas at home and abroad; and

Whereas, the Republic of China on Taiwan shares these values with the United States and has struggled throughout the past 50 years to create what is today an open and thriving democracy; and

Whereas, the United States must continue to support the growth of democracy and ongoing market opening in Taiwan if this relationship is to evolve and reflect the changing nature of the global system in the 21st Century; and

Whereas, despite the fact that Taiwan only recently became a member of the World Trade Organization and that it has no formal trade agreement with the United States, Taiwan has nevertheless emerged as the United States' eighth largest trading partner; and

Whereas, American business and workers have benefited greatly from this dynamic trade relationship, most recently in the computer and electronics sector; and

Whereas, Taiwan is a gateway to other Pacific Rim markets for United States exports, helping to preserve peace and stability within the entire region; and

Whereas, United States agricultural procedures have been particularly under represented in the list of United States exports to the region, despite the importance of the markets for growers of corn, wheat, and soybeans; and

Whereas, a free trade agreement would not only help Taiwan's economy dramatically expand its already growing entrepreneurial class, but it would also serve an important political function; and

Whereas, the United States needs to support partner countries that are lowering trade barriers; and

Whereas, Taiwan has emerged the past two decades as one of the United States' most important allies in Asia and throughout the world; and

Whereas, in the interest of supporting, preserving and protecting the democratic fabric of the government of Taiwan, it is made clear that the United States supports the withdrawal of missiles deployed as a threat again Taiwan by the People's Republic of China; and

Whereas, it is in the interest of the United States to encourage the development of both these institutions; and

Whereas, the United States has an obligation to its allies and it its own citizens to encourage economic growth, market opening, and the destruction of trade barriers as a means of raising living standards across the board; and

Whereas, a free trade agreement with Taiwan would be a positive step toward accomplishing all of these goals: Now therefore, be it

Resolved by the House of Representatives of the 142nd General Assembly of the State of Delaware, the Senate concurring therein, That the Bush Administration be encouraged to support a free trade agreement between the United States and Taiwan; and be it further

Resolved, That the United States policy should include the pursuit of some initiative in the World Trade Organization which will give Taiwan meaningful participation in a manner that is consistent with the organization's requirements; and be it further

Resolved, That a copy of this resolution be sent to the President of the United States, the United States Secretary of State, the Secretary of Health, Education, and Welfare, the Speaker of the United States House of Representatives, the President of the United States Senate, the Government of Taiwan, the World Trade Organization, and the members of Delaware's congressional delegation.

POM–96. A joint resolution adopted by the Senate of the Commonwealth of Virginia relative to nitrogen reduction technology; to the Committee on Environment and Public Works.

SENATE JOINT RESOLUTION NO. 424

Whereas, the Chesapeake Bay and its tributaries are national treasures that play a vital role in many sectors of Virginia's economy including the commercial seafood, recreational fishing, and tourism industries; and

Whereas, while significant progress has been made in restoring the Chesapeake Bay and its tributaries, they remain in a significantly degraded condition; and

Whereas, nitrogen pollution, the most serious problem facing water quality in the Bay today, results in excessive algae growth that clouds water, depletes oxygen, and severely impacts vital bay grasses, young fish, and crabs; and

Whereas, the Commonwealth is a signatory to the Chesapeake 2000 Agreement, in which Virginia pledged to significantly reduce nitrogen pollution sufficient to remove the Chesapeake Bay from the United States Environmental Protection Agency's impaired waters list by 2010; and

Whereas, upgrading sewage treatment plants, which currently contribute 61 million pounds of nitrogen annually to the Bay, is one of the most cost-effective steps that can be taken to significantly reduce nitrogen pollution; and

Whereas, sewage treatment plants in Virginia discharge up to 25 milligrams of nitrogen per liter of wastewater, while current technology allows the nitrogen content of treated wastewater to be reduced to only three milligrams per liter; and

Whereas, United States Senators of Virginia and the United States House of Representatives from the 1st, 3rd, 4th, 6th, 8th, 10th, and 11th Virginia Congressional Districts have introduced legislation to provide cost-share grant funding to allow Bay watershed sewage treatment plants to substantially reduce their nitrogen pollution by installing NRT: Now, therefore, be it

Resolved by the Senate, the House of Delegates concurring, That the Congress of the United States be urged to adopt legislation in support of funding for nitrogen reduction technology (NRT) in the 108th Congress; and be it further

Resolved, That the Clerk of the Senate transmit copies of this resolution to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Virginia Congressional Delegation so that they may be apprised of the sense of the General Assembly of Virginia in this matter.

POM–97. A resolution adopted by the Chemung County Legislature of the State of New York relative to the Transportation Equity Act for the 21st Century; to the Committee on Environment and Public Works.

POM–98. A resolution adopted by the House of Representatives of the State of Michigan relative to the Funding of Transportation Initiatives by the Federal Government; to the Committee on Environment and Public Works.

HOUSE CONCURRENT RESOLUTION NO. 5

Whereas, for several decades, Michigan has sent much more federal highway tax money to Washington than it has received in return. This imbalance has helped our nation build the country's highway infrastructure. With the national infrastructure largely completed, the continuation of the imbalance has created a serious challenge for Michigan and other ''donor states''; and

Whereas, Michigan, which typically loses between $150 million and $400 million each year by sending more to Washington than it receives, is severely hampered. The unfair practice of contributing hundreds of millions of dollars beyond the amount we receive to fund projects in other parts of the country makes it far more difficult for Michigan to maintain the quality of its highways. The loss of funding also represents a serious loss of economic activity; and

Whereas, the chairman of the House Transportation and Infrastructure Committee and the chairman of the Senate Environment and Public Works Committee in Congress have proposed a major change in how federal highway funds are distributed. They have called for a funding formula that would guarantee that all states receive a minimum of 95 percent of what they each contribute to the federal highway program; and

Whereas, the potential impact for Michigan of a guarantee of at least 95 percent of this funding would be very significant. Even as the economy calls for more careful public expenditures, this proposed policy change would help Michigan and bring greater fairness to the issue of transportation spending. Citizens, visitors, and businesses of this state would benefit enormously from this long overdue policy: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That we memorialize the Congress of the United States to enact legislation to provide that all states receive a minimum of 95 percent of transportation funds sent to the federal government and to urge Congress to make the return of transportation money to the states a higher priority within existing federal revenues; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM–99. A resolution adopted by the House of Representatives of the State of Michigan relative to reauthorization of the Transportation Equity Act; to the Committee on Environment and Public Works.

HOUSE RESOLUTION NO. 23

Whereas, the Interstate Traveler Project is an elevated maglev (magnetic levitation) rail mass transit system that is based upon a conduit cluster concept powered by hydrogen and solar power. The project promises to provide travelers with a clean, quiet, safe, reliable mode of transportation. The intent of the project is to create the world's first switchable maglev rail network that will provide inter-urban/inter-city pedestrian, automobile, and light freight transit services. The project will simultaneously produce, store, and distribute hydrogen, which will not only serve as an alternative energy resource, but also will give Michigan's automakers the incentive to produce hydrogen internal combustion engines, fuel cell cars, and the manufacturing opportunity to build maglev rail cars; and

Whereas, by fully integrating with the interstate highway system, existing transportation infrastructure, and mass transmit systems, the Interstate Traveler Project seeks to reduce traffic congestion and air pollution while improving traffic safety and efficiency. The Interstate Traveler Project substations will utilize the existing interstate highway system's entrances and exits, providing a seamless link of private automobiles, pedestrian traffic, existing municipal bus routes, and tax services. These substations will also support the hydrogen distribution system, as well as fiber optics, water, electricity, and other utilities. Although the Interstate Traveler Project is ideally suited for the interstate highway, system, it may also be integrated with existing and abandoned railroad right-of-ways or along other appropriate lands; and

Whereas, the Interstate Traveler Project is consistent with the 2003 State-of-the-Union address which called on Congress to appropriate $1.2 billion for hydrogen fuel cell technology: Now, therefore, be it

Resolved by the House of Representatives, That we memorialize Congress to enact legislation to support research, development, and construction of the Interstate Traveler Project through the reauthorization of the Transportation Equity Act of the 21st Century (TEA-21) and/or other related federal programs; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM–100. A joint resolution adopted by the Legislature of the State of Washington relative to veterans with disabilities; to the Committee on Veterans' Affairs.

SENATE JOINT MEMORIAL 8008

Whereas, many American service members have sacrificed their lives for the United States; and

Whereas, many of these service members have retired from active duty and 28 percent of the retirees were found to be disabled; and

Whereas, those retired disabled service members are required by law to have their retirement income reduced dollar for dollar to pay their disability compensation; and

Whereas, retired veterans make up approximately ten percent of all veterans living in this state and the retired disabled veterans make up approximately 36.6 percent of the retired veteran population of this state; and

Whereas, concurrent receipt of both the retired pay and the disability compensation pay would add financially to the welfare of this state as well as the veterans: Now, therefore,

Your Memorialists respectfully pray that the President, in acting upon the recommendations of the National Service Organizations, fund the enacted law for all disabled retired veterans. Your Memorialists further pray that Congress and the President affirm the debt owed these veterans and pass a budget to furnish the veterans their concurrent receipt: Be it

Resolved, That copies of this Memorial be immediately transmitted to the Honorable George W. Bush, President of the United States, the Secretary of the United States Department of Veterans Affairs, the Secretary of the United States Department of Defense, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington.

POM–101. A resolution adopted by the Department of Veteran's Affairs of the State of Alabama relative to recouping cost incurred from ''Operation Iraqi Freedom'' from the Country of Iraq; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERTS, from the Select Committee on Intelligence, without amendment:

S. 1025. An original bill to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. No. 108–44).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH for the Committee on the Judiciary.

John G. Roberts, Jr., of Maryland, to be United States Circuit Judge for the District of Columbia Circuit.

Carolyn B. Kuhl, of California, to be United States Circuit Judge for the Ninth Circuit.

Consuelo Maria Callahan, of California, to be United States Circuit Judge for the Ninth Circuit.

S. Maurice Hicks, Jr., of Louisiana, to be United States District Judge for the Western District of Louisiana.

William Emil Moschella, of Virginia, to be an Assistant Attorney General.

Leonardo M. Rapadas, of Guam, to be United States Attorney for the District of Guam and concurrently United States Attorney for the District of the Northern Mariana Islands for the term of four years.

Nominations without an asterisk were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first

and second times by unanimous consent, and referred as indicated:

By Ms. CANTWELL (for herself, Mr. CRAPO, Mrs. MURRAY, Ms. MURKOWSKI, Mr. LEAHY, Mrs. CLINTON, and Mr. SCHUMER):

S. 1024. A bill to authorize the Attorney General to carry out a program, known as the Northern Border Prosecution Initiative, to provide funds to northern border States to reimburse county and municipal governments for costs associated with certain criminal activities, and for other purposes; to the Committee on the Judiciary.

By Mr. ROBERTS:

S. 1025. An original bill to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; from the Select Committee on Intelligence; to the Committee on Armed Services pursuant to section 3(b) of S. Res. 400, 94th Congress, for a period of not to exceed 30 days of session.

By Mr. SHELBY:

S. 1026. A bill to amend the Internal Revenue Code of 1986 to phase out the taxation of social security benefits; to the Committee on Finance.

By Mr. NELSON of Nebraska:

S. 1027. A bill to amend the Irrigation Project Contract Extension Act of 1998 to extend certain contracts between the Bureau of Reclamation and certain irrigation water contractors in the States of Wyoming and Nebraska; to the Committee on Energy and Natural Resources.

By Mr. CRAPO:

S. 1028. A bill to amend the Public Health Service Act to establish an Office of Men's Health; to the Committee on Health, Education, Labor, and Pensions.

By Mr. ENSIGN:

S. 1029. A bill to enhance peace between the Israelis and Palestinians; to the Committee on Foreign Relations.

By Mr. BINGAMAN:

S. 1030. A bill to expand the number of individuals and families with health insurance coverage, and for other purposes; to the Committee on Finance.

By Mr. BAYH:

S. 1031. A bill to amend the Internal Revenue Code of 1986 to allow a tax credit for long-term care givers; to the Committee on Finance.

By Mr. SARBANES (for himself, Mr. ALEXANDER, Mr. AKAKA, Mr. BAUCUS, Mr. CORZINE, Mr. DODD, Mr. GRAHAM of Florida, Mr. KENNEDY, Mr. LAUTENBERG, Mr. LEVIN, Mr. REID, Mr. SCHUMER, Ms. STABENOW, and Mr. WYDEN):

S. 1032. A bill to provide for alternative transportation in certain federally owned or managed areas that are open to the general public; to the Committee on Energy and Natural Resources.

By Mr. BINGAMAN (for himself, Mr. LUGAR, Mrs. LINCOLN, Mr. CORZINE, Ms. LANDRIEU, Mr. BREAUX, Mr. KERRY, Ms. CANTWELL, Mrs. MURRAY, Mrs. CLINTON, and Mr. MILLER):

S. 1033. A bill to amend titles XIX and XXI of the Social Security Act to expand or add coverage of pregnant women under the medicaid and State children's health insurance program, and for other purposes; to the Committee on Finance.

By Mrs. FEINSTEIN (for herself, Mr. SCHUMER, Mr. CHAFEE, Mr. JEFFORDS, Mr. KENNEDY, Mr. DURBIN, Mr. LAUTENBERG, Mrs. BOXER, and Mr. REED):

S. 1034. A bill to repeal the sunset date on the assault weapons ban, to ban the importation of large capacity ammunition feeding devices, and for other purposes; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

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

S. Res. 134. A resolution to authorize representation by the Senate Legal Counsel in Newdow v. Eagen, et al.; considered and agreed to.

By Mr. FRIST (for himself, Mr. SANTORUM, Mr. BROWNBACK, and Mr. TALENT):

S. Res. 135. A resolution expressing the sense of the Senate that Congress should provide adequate funding to protect the integrity of the Frederick Douglass National Historic Site; to the Committee on Energy and Natural Resources.

By Mr. DASCHLE (for Mr. KENNEDY (for himself and Mr. VOINOVICH)):

S. Res. 136. A resolution recognizing the 140th anniversary of the founding of the Brotherhood of Locomotive Engineers, and congratulating members and officers of the Brotherhood of Locomotive Engineers for the union's many achievements; to the Committee on the Judiciary.

By Mr. FRIST (for himself, Mr. DASCHLE, Mr. STEVENS, Mr. KENNEDY, Mr. JEFFORDS, Mr. INHOFE, Mrs. HUTCHISON, and Mrs. FEINSTEIN):

S. Res. 137. A resolution honoring James A. Johnson, Chairman of the Board of Trustees of the John F. Kennedy Center for the Performing Arts; considered and agreed to.

ADDITIONAL COSPONSORS

S. 73

At the request of Mr. INOUYE, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 73, a bill to amend the Public Health Service Act to provide for the establishment of a National Center for Social Work Research.

S. 139

At the request of Mr. LIEBERMAN, the names of the Senator from Illinois (Mr. DURBIN), the Senator from Hawaii (Mr. AKAKA) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. 139, a bill to provide for a program of scientific research on abrupt climate change, to accelerate the reduction of greenhouse gas emissions in the United States by establishing a market-driven system of greenhouse gas tradeable allowances that could be used interchangably with passenger vehicle fuel economy standard credits, to limit greenhouse gas emissions in the United States and reduce dependence upon foreign oil, and ensure benefits to consumers from the trading in such allowances.

S. 146

At the request of Mr. DEWINE, the names of the Senator from Virginia (Mr. ALLEN) and the Senator from Arizona (Mr. MCCAIN) were added as cosponsors of S. 146, a bill to amend titles 10 and 18, United States Code, to protect unborn victims of violence.

S. 319

At the request of Ms. MIKULSKI, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 319, a bill to amend chapter 89 of title 5, United States Code, to increase the Government contribution for Federal employee health insurance.

S. 465

At the request of Mrs. MURRAY, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 465, a bill to amend title XVIII of the Social Security Act to expand Medicare coverage of certain self-injected biologicals.

S. 470

At the request of Mr. SARBANES, the names of the Senator from South Dakota (Mr. DASCHLE), the Senator from North Carolina (Mr. EDWARDS) and the Senator from Rhode Island (Mr. REED) were added as cosponsors of S. 470, a bill to extend the authority for the construction of a memorial to Martin Luther King, Jr.

S. 512

At the request of Mr. VOINOVICH, the name of the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 512, a bill to amend the Internal Revenue Code of 1986 to exclude from gross income amounts paid on behalf of Federal employees under Federal student loan repayment programs.

S. 540

At the request of Mr. INHOFE, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 540, a bill to authorize the presentation of gold medals on behalf of Congress to Native Americans who served as Code Talkers during foreign conflicts in which the United States was involved during the 20th Century in recognition of the service of those Native Americans to the United States.

S. 557

At the request of Ms. COLLINS, the names of the Senator from Washington (Ms. CANTWELL) and the Senator from New Jersey (Mr. CORZINE) were added as cosponsors of S. 557, a bill to amend the Internal Revenue Code of 1986 to exclude from gross income amounts received on account of claims based on certain unlawful discrimination and to allow income averaging for backpay and frontpay awards received on account of such claims, and for other purposes.

S. 569

At the request of Mr. ENSIGN, the name of the Senator from Kentucky (Mr. BUNNING) was added as a cosponsor of S. 569, a bill to amend title XVIII of the Social Security Act to repeal the Medicare outpatient rehabilitation therapy caps.

S. 647

At the request of Mr. KENNEDY, the name of the Senator from South Carolina (Mr. GRAHAM) was added as a cosponsor of S. 647, a bill to amend title 10, United States Code, to provide for

Department of Defense funding of continuation of health benefits plan coverage for certain Reserves called or ordered to active duty and their dependents, and for other purposes.

S. 877

At the request of Mr. BURNS, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 877, a bill to regulate interstate commerce by imposing limitations and penalties on the transmission of unsolicited commercial electronic mail via the Internet.

S. 888

At the request of Mr. GREGG, the names of the Senator from Connecticut (Mr. LIEBERMAN), the Senator from California (Mrs. BOXER) and the Senator from New Jersey (Mr. CORZINE) were added as cosponsors of S. 888, a bill to reauthorize the Museum and Library Services Act, and for other purposes.

S. 893

At the request of Mr. SANTORUM, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 893, a bill to amend title VII of the Civil Rights Act of 1964 to establish provisions with respect to religious accommodation in employment, and for other purposes.

S. 923

At the request of Mr. KENNEDY, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 923, a bill to provide for additional weeks of temporary extended unemployment compensation, to provide for a program of temporary enhanced regular unemployment compensation, and for other purposes.

S. 949

At the request of Mr. JOHNSON, his name was added as a cosponsor of S. 949, a bill to establish a commission to assess the military facility structure of the United States overseas, and for other purposes.

S. 1000

At the request of Mr. GRAHAM of South Carolina, the names of the Senator from Georgia (Mr. CHAMBLISS) and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 1000, a bill to amend title 10, United States Code, to revise the age and service requirements for eligibility to receive retired pay for non-regular service; to provide TRICARE eligibility for members of the Selected Reserve of the Ready Reserve and their families; to amend the Internal Revenue Code of 1986 to allow employers a credit against income tax with respect to employees who participate in the military reserve components and to allow a comparable credit for participating reserve component self-employed individuals, and for other purposes.

S. 1001

At the request of Mr. BIDEN, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 1001, a bill to make the protection of women and children who are affected by a complex humanitarian emergency a priority of the United States Government, and for other purposes.

S. 1009

At the request of Mr. BIDEN, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 1009, a bill to amend the Foreign Assistance Act of 1961 and the State Department Basic Authorities Act of 1956 to increase assistance to foreign countries seriously affected by HIV/AIDS, tuberculosis, and malaria, and for other purposes.

S. 1019

At the request of Mr. DEWINE, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 1019, a bill to amend titles 10 and 18, United States Code, to protect unborn victims of violence.

S. 1023

At the request of Mr. HATCH, the name of the Senator from Mississippi (Mr. LOTT) was added as a cosponsor of S. 1023, a bill to increase the annual salaries of justices and judges of the United States.

S. 1023

At the request of Mrs. FEINSTEIN, her name was added as a cosponsor of S. 1023, supra.

S. CON. RES. 21

At the request of Mr. BUNNING, the name of the Senator from Kentucky (Mr. MCCONNELL) was added as a cosponsor of S. Con. Res. 21, a concurrent resolution expressing the sense of the Congress that community inclusion and enhanced lives for individuals with mental retardation or other developmental disabilities is at serious risk because of the crisis in recruiting and retaining direct support professionals, which impedes the availability of a stable, quality direct support workforce.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Ms. CANTWELL (for herself, Mr. CRAPO, Mrs. MURRY, Ms. MURKOWSKI, Mr. LEAHY, Mrs. CLINTON, and Mr. SCHUMER):

S. 1024. A bill to authorize the Attorney General to carry out a program, known as the Northern Border Prosecution Initiative, to provide funds to northern States to reimburse county and municipal governments for costs associated with certain criminal activities, and for other purposes; to the Committee on the Judiciary.

Ms. CANTWELL. Mr. President, today my colleagues and I introduce the Northern Border Prosecution Reimbursement Initiative. This bill outlines an important initiative that would give our northern border States and counties financial assistance in prosecuting criminal and immigration-related cases that arise because of proximity to the border. I thank my fellow northern border Senators and cosponsors, Senators CRAPO, MURRY, MURKOWSKI, LEAHY, CLINTON and SCHUMER for joining with me to introduce and work to pass this important legislation.

This initiative is modeled on a successful program already in place for southern border States. The Southern Border Prosecution Initiative allows States and counties to apply for reimbursement of costs incurred in any federally initiated or declined-referred criminal case. The program is targeted at immigration-related cases, but is not limited only to cases involving immigration charges. Cases arising out of immigration issues but ranging from a misdemeanor property charge to a felony drug conviction are eligible for reimbursement under the southern border program. The program proposed in the legislation introduced today would be operated in the same way.

Federal agencies—such as the Border Patrol and INS—have ongoing efforts to police the Nation's borders, resulting in hundreds of arrests each year. For many reasons, some of those cases are not pursued by Federal law enforcement authorities and instead are handed off to State or county officials for further prosecution. Instead of asking States to absorb those costs—likely at the expense of other important local law enforcement initiatives—the Northern Border Prosecution Reimbursement Initiative allows States and counties to receive compensation for pursuing these immigration-related cases.

The Northern Border Prosecution Reimbursement Initiative would be administered by the Department of Justice's Bureau of Justice Assistance. States and counties would be able to apply for reimbursement during an annual application period, with no limit on the number of cases submitted. Under the act, funds distribution is not based on the size or population of a northern border State, but upon the number of eligible cases submitted by each jurisdiction. It is possible for reimbursement to equal 100 percent of costs, though money is distributed on a pro rata basis if applications exceed available revenues. Each of the 14 States along the northern border would be eligible for the reimbursement program: Alaska, Idaho, Maine, Michigan, Minnesota, Montana, New Hampshire, New York, North Dakota, Ohio, Pennsylvania, Vermont, Washington and Wisconsin.

Last year, $40 million was provided to southern border States Arizona, California, New Mexico and Texas, offsetting the costs of prosecuting immigration-related cases. For 2002, $50 million was allocated to the program. My legislation simply authorizes $28 million for Fiscal Year 2004 be made available to northern border states for the same purpose.

In the years leading up to Sept. 11, 2001, activity along the northern border had shifted primarily from a focus on immigration issues to those related to

trade and commerce. However, homeland security has grown into a paramount concern in the wake of the 2001 terror attacks, and our States and local governments are increasingly bearing an unfair financial burden in protecting and patrolling our national borders. There are hundreds of crossings along the 4,000 mile long northern border between the United States and Canada, and though improvements have been made to tighten security, the northern border has yet to receive the resources it needs to adequately enforce our Nation's immigration laws and border restrictions.

The need for greater enforcement efforts along the northern border became glaringly evident in 1998 when Ahmed Ressam, a terrorist trained at one of Osama bin Laden's training camps in Afghanistan, was arrested shortly after crossing the Canadian border into Washington State. Explosives and other bomb-making materials were found in the trunk of Ressam's car. This frightening incident made clear the vulnerabilities we face along the porous northern border, vulnerabilities that became even more concerning after the Sept. 11, 2001, terror attacks.

In the last two years, the Senate has taken steps to improve northern border security. I have worked with Senators from the 14 States that comprise the northern border—including my colleagues who join me as cosponsors on this legislation today—and we have successfully devoted more resources to northern border security efforts. The 2001 Department of Defense Appropriation's bill included $55.8 million for 500 additional Immigration and Naturalization Service inspectors along the northern border—a 105 percent increase in staffing levels. That legislation also provided $23.9 million to transfer 100 border patrol agents and hire 100 new agents. Working to protect our northern border has been a bipartisan effort, enjoying cooperation from senators across the aisle and across the country. Now it is time to take another step toward greater border and national security and approve the Northern Border Prosecution Reimbursement Initiative.

The costs of homeland security are increasingly being borne by States and local governments, an issue that this legislation tackles head-on. Without giving States and counties the necessary resources to pay for cases initiated by Federal authorities, other important local law enforcement initiatives will undoubtedly be shortchanged. States and the Federal Government must work together if our borders are to be truly safe. The Northern Border Prosecution Reimbursement Initiative is a mechanism by which all of the resources of the criminal justice system—local, State, and Federal—can work in harmony.

Mr. SHELBY. Mr. President, I rise today to introduce the Older Americans Tax Fairness Act of 2003. My bill would completely eliminate the unjust taxation of Social Security benefits once and for all. The underlying premise of my legislation is simple: Social Security benefits were never intended to be taxed. At its inception and continuing on for the next fifty years, Social Security benefits were exempt from taxation. Budgetary shortfalls in 1984 and 1993, however, led to the taxation of these benefits.

Because of the rising cost of living, many of our seniors are forced to work past age 65. To these Americans, every penny counts in determining whether they are able to pay for food, heating, and healthcare. However, by taxing Social Security benefits, we make it increasingly impossible for millions of older Americans to make ends meet. In effect, then, taxation of Social Security benefits forces many Americans to endure stressful situations in what should be the golden years of their lives.

Taxation of Social Security benefits is also wrong because it changes the rules in the middle of the game. When seniors contributed to Social Security through the payment of payroll taxes, they did so with the understanding that they would one day receive those benefits tax-free. Unfortunately, because of runaway spending, many in the government have viewed Social Security taxation as a way to make up the shortfall between Federal spending and revenue. Such a decision was wrong then and it is even more wrong now as seniors face rising living costs.

In addition to being fundamentally unfair, I believe that taxing Social Security benefits once seniors pass certain income thresholds discourages them from working. I firmly believe that senior citizens add a wealth of knowledge and experience to the workplace. As such, we must make sure that our American workforce is not deprived of these valuable assets. Our laws should encourage older Americans with a desire to work to continue contributing to our society. Unfortunately, our laws do just the opposite.

Every year my office receives hundreds of letters and calls from older Americans throughout the country and Alabama describing the hardship that Social Security taxation has placed on their lives. The solution to this situation is simple—repeal the unfair taxation of these benefits. I therefore urge my colleagues to listen to their constituents and join me in support of my bill.

By Mr. ENSIGN:

S. 1029. A bill to enhance peace between the Israelis and Palestinians; to the Committee on Foreign Relations.

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

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

S. 1029

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

SEC. 1. SHORT TITLE.

This title may be cited as the ''Israeli-Palestinian Peace Enhancement Act of 2003''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The security of the State of Israel is a major and enduring national security interest of the United States.

(2) A lasting peace in the Middle East region can only take root in an atmosphere free of violence and terrorism.

(3) The Palestinian people have been ill-served by leaders who, by resorting to violence and terrorism to pursue their political objectives, have brought economic and personal hardship to their people and brought a halt to efforts seeking a negotiated settlement of the conflict.

(4) The United States has an interest in a Middle East in which two states, Israel and Palestine, will live side by side in peace and security.

(5) In his speech of June 24, 2002, and in other statements, President George W. Bush outlined a comprehensive vision of the possibilities of peace in the Middle East region following a change in Palestinian leadership.

(6) The Palestinian state must be a reformed, peaceful, and democratic state that abandons forever the use of terror.

(7) On April 29, 2003, the Palestinian Legislative Council confirmed in office, by a vote of 51 yeas, 18 nays, and 3 abstentions, the Palestinian Authority's first prime minister, Mahmoud Abbas (Abu Mazen), and his cabinet.

(8) In his remarks prior to the vote of the Palestinian Legislative Council, Mr. Abbas declared: ''The government will concentrate on the question of security . . . The unauthorized possession of weapons, with its direct threat to the security of the population, is a major concern that will be relentlessly addressed . . . There will be no other decision-making authority except for the Palestinian Authority.''.

(9) In those remarks, Mr. Abbas further stated: ''We denounce terrorism by any party and in all its forms both because of our religious and moral traditions and because we are convinced that such methods do not lend support to a just cause like ours but rather destroy it.''.

(10) Israel has repeatedly indicated its willingness to make painful concessions to achieve peace once there is a partner for peace on the Palestinian side.

SEC. 3. PURPOSES.

The purposes of this title are—

(1) to express the sense of Congress with respect to United States recognition of a Palestinian state; and

(2) to demonstrate United States willingness to provide substantial economic and humanitarian assistance, and to support large-scale multilateral assistance, after the Palestinians have achieved the reforms outlined by President Bush and have achieved peace with the State of Israel.

SEC. 4. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) peace between Israel and the Palestinians cannot be negotiated until the Palestinian system of government has been transformed along the lines outlined in President Bush's June 24, 2002, speech;

(2) substantial United States and international economic assistance will be needed after the Palestinians have achieved the reforms described in section 620K(c)(2) of the Foreign Assistance Act of 1961 (as added by section 1506 of this Act) and have made a lasting and secure peace with Israel;

(3) the Palestinian people merit commendation on the confirmation of the Palestinian Authority's first prime minister, Mahmoud Abbas (Abu Mazen), and his cabinet;

(4) the new Palestinian administration urgently should take the necessary security-related steps to allow for implementation of a performance-based road map to resolve the Israeli-Palestinian conflict;

(5) the United States Administration should work vigorously toward the goal of two states living side-by-side in peace within secure and internationally-recognized boundaries free from threats or acts of force; and

(6) the United States has a vital national security interest in a permanent, comprehensive, and just resolution of the Arab-Israeli conflict, and particularly the Palestinian-Israeli conflict, based on the terms of United Nations Security Council Resolutions 242 and 338.

SEC. 5. RECOGNITION OF A PALESTINIAN STATE.

It is the sense of Congress that a Palestinian state should not be recognized by the United States until the President determines that—

(1) a new leadership of a Palestinian governing entity, not compromised by terrorism, has been elected and taken office; and

(2) the newly-elected Palestinian governing entity—

(A) has demonstrated a firm and tangible commitment to peaceful coexistence with the State of Israel and to ending anti-Israel incitement, including the cessation of all officially sanctioned or funded anti-Israel incitement;

(B) has taken appropriate measures to counter terrorism and terrorist financing in the West Bank and Gaza, including the dismantling of terrorist infrastructures and the confiscation of unlawful weaponry;

(C) has established a new Palestinian security entity that is fully cooperating with the appropriate Israeli security organizations;

(D) has achieved exclusive authority and responsibility for governing the national affairs of a Palestinian state, has taken effective steps to ensure democracy, the rule of law, and an independent judiciary, and has adopted other reforms ensuring transparent and accountable governance; and

(E) has taken effective steps to ensure that its education system promotes the acceptance of Israel's existence and of peace with Israel and actively discourages anti-Israel incitement.

SEC. 6. LIMITATION ON ASSISTANCE TO A PALESTINIAN STATE.

Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2351 et seq.) is amended—

(1) by redesignating the second section 620G (as added by section 149 of Public Law 104–164 (110 Stat. 1436)) as section 620J; and

(2) by adding at the end the following new section:

"SEC. 620K. LIMITATION ON ASSISTANCE TO A PALESTINIAN STATE.

''(a) LIMITATION.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, assistance may be provided under this Act or any other provision of law to the government of a Palestinian state only during a period for which a certification described in subsection (c) is in effect. The limitation contained in the preceding sentence shall not apply (A) to humanitarian or development assistance that is provided through nongovernmental organizations for the benefit of the Palestinian people in the West Bank and Gaza, or (B) to assistance that is intended to reform the Palestinian Authority and affiliated institutions, or a newly elected Palestinian governing entity, in order to help meet the requirements contained in subparagraphs (A) through (H) of subsection (c)(2) or to address the matters described in subparagraphs (A) through (E) of section 1505(2) of the Israeli-Palestinian Peace Enhancement Act of 2003.

''(2) WAIVER.—The President may waive the limitation of the first sentence of paragraph (1) if the President determines and certifies to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate that it is vital to the national interest of the United States to do so.

''(b) CONGRESSIONAL NOTIFICATION.—

''(1) IN GENERAL.—Assistance made available under this Act or any other provision of law to a Palestinian state may not be provided until 15 days after the date on which the President has provided notice thereof to the Committee on International Relations and the Committee on Appropriations of the House of Representatives and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate in accordance with the procedures applicable to reprogramming notifications under section 634A(a) of this Act.

''(2) SUNSET.—Paragraph (1) shall cease to be effective beginning ten years after the date on which notice is first provided under such paragraph.

''(c) CERTIFICATION.—A certification described in this subsection is a certification transmitted by the President to Congress that—

''(1) a binding international peace agreement exists between Israel and the Palestinians that—

''(A) was freely signed by both parties;

''(B) guarantees both parties' commitment to a border between two states that constitutes a secure and internationally recognized boundary for both states, with no remaining territorial claims;

''(C) provides a permanent resolution for both Palestinian refugees and Jewish refugees from Arab countries; and

''(D) includes a renunciation of all remaining Palestinian claims against Israel through provisions that commit both sides to the ''end of the conflict''; and

''(2) the new Palestinian government—

''(A) has been democratically elected through free and fair elections, has exclusive authority and responsibility for governing the national affairs of the Palestinian state, and has achieved the reforms outlined by President Bush in his June 24, 2002, speech;

''(B) has completely renounced the use of violence against the State of Israel and its citizens, is vigorously attempting to prevent any acts of terrorism against Israel and its citizens, and punishes the perpetrators of such acts in a manner commensurate with their actions;

''(C) has dismantled, and terminated the funding of, any group within its territory that conducts terrorism against Israel;

''(D) is engaging in ongoing and extensive security cooperation with the State of Israel;

''(E) refrains from any officially sanctioned or funded statement or act designed to incite Palestinians or others against the State of Israel and its citizens;

''(F) has an elected leadership not compromised by terror;

''(G) is demilitarized; and

''(H) has no alliances or agreements that pose a threat to the security of the State of Israel.

''(d) RECERTIFICATIONS.—Not later than 90 days after the date on which the President transmits to Congress an initial certification under subsection (c), and every 6 months thereafter for the 10-year period beginning on the date of transmittal of such certification—

''(1) the President shall transmit to Congress a recertification that the requirements contained in subsection (c) are continuing to be met; or

''(2) if the President is unable to make such a recertification, the President shall transmit to Congress a report that contains the reasons therefor.

''(e) RULE OF CONSTRUCTION.—A certification under subsection (c) shall be deemed to be in effect beginning on the day after the last day of the 10-year period described in subsection (d) unless the President subsequently determines that the requirements contained in subsection (c) are no longer being met and the President transmits to Congress a report that contains the reasons therefor.''.

SEC. 7. AUTHORIZATION OF ASSISTANCE TO A PALESTINIAN STATE.

Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2351 et seq.), as amended by section 1506, is further amended by adding at the end the following new section:

"SEC. 620L. AUTHORIZATION OF ASSISTANCE TO A PALESTINIAN STATE.

''(a) ASSISTANCE.—The President is authorized to provide assistance to a Palestinian state in accordance with the requirements of this section.

''(b) ACTIVITIES TO BE SUPPORTED.—Assistance provided under subsection (a) shall be used to support activities within a Palestinian state to substantially improve the economy and living conditions of the Palestinians by, among other things, providing for economic development in the West Bank and Gaza, continuing to promote democracy and the rule of law, developing water resources, assisting in security cooperation between Israelis and Palestinians, and helping with the compensation and rehabilitation of Palestinian refugees.

''(c) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts made available to carry out chapter 4 of part II of this Act for a fiscal year, there are authorized to be appropriated to the President to carry out subsections (a) and (b) such sums as may be necessary for each such fiscal year.

''(d) COORDINATION OF INTERNATIONAL ASSISTANCE.—

''(1) IN GENERAL.—Beginning on the date on which the President transmits to Congress an initial certification under section 620K(c), the Secretary of State shall seek to convene one or more donors conferences to gain commitments from other countries, multilateral institutions, and nongovernmental organizations to provide economic assistance to Palestinians to ensure that such commitments to provide assistance are honored in a timely manner, to ensure that there is coordination of assistance among the United States and such other countries, multilateral institutions, and nongovernmental organizations, to ensure that the assistance provided to Palestinians is used for the purposes for which is was provided, and to ensure that other countries, multilateral institutions, and nongovernmental organizations do not provide assistance to Palestinians through entities that are designated as terrorist organizations under United States law.

''(2) REPORT.—Not later than 180 days after the date of the enactment of this section, and on an annual basis thereafter, the Secretary of State shall prepare and submit to the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate a report that describes the activities undertaken to meet the requirements of paragraph (1), including a description of amounts committed, and the amounts provided, to a Palestinian state or Palestinians during the reporting period by each country and organization.''.

By Mr. BINGAMAN:

S. 1030. A bill to expand the number of individuals and families with health

insurance coverage, and for other purposes; to the Committee on Finance.

Mr. BINGAMAN. Mr. President, yesterday, I introduced the first part of a series of proposals to protect and strengthen our nation's health care safety net. That bill, the ''Strengthening Our States'' or SOS Act of 2003,'' seeks to protect and improve the Medicaid program—a critical component of our country's health system. To repeat the words of Diane Rowland and Jim Tallon of the Kaiser Commission on Medicaid and the Uninsured, ''Medicaid is the glue that helps hold our health system together and takes on the highest-risk, sickest, and most expensive populations from private insurance and Medicare.

Like a waterfront community that seeks to set up barricades against a rising river, defending the Medicaid program from attacks, such as the idea of a block grant, is a top priority.

However, once that is assured, we must also take the next step and confront the fact that an estimated 41.2 million people, or almost 15 percent of the population, was without health insurance during the entire year of 2001, which was an increase of 1.4 million people over 2000.

Moreover, the numbers in 2002 and this year have undoubtedly worsened. A report by the National Coalition on Health Care says, ''The confluence of powerful economic forces, fueled by the terrorist attacks on September 11, have unleashed a 'perfect storm' that could increase dramatically the number of uninsured in the U.S.—with as many as 6 million people in total losing their coverage in 2001 and 2002.''

The number in New Mexico are staggering. New Mexico leads or ranks second only to Texas in the percentage of its citizens who are uninsured. In fact, New Mexico is the only state in the country with less than half of its population having private health insurance coverage.

A rather shocking statistic, which also continues to worsen, is that one out of every three Hispanic citizens are uninsured. In fact, less than 43 percent of the Hispanic population now has employer-based coverage nationwide, which is in sharp comparison to the 68 percent of non-Hispanic whites who have employer-based coverage.

To address this growing crisis, I have worked closely with the American College of Physicians since last fall on the legislative proposal, which I call the ''Health Coverage, Affordability, Responsibility, and Equity Act'' or the ''HealthCARE Act of 2003.'' The proposal seeks to: First, build upon programs that currently work, including Medicaid, employer coverage, and the private market; second, provide choices for uninsured individuals, states, and small businesses while rejecting either employer or individual mandates; third, use methods that have bipartisan support by borrowing the best ideas from Democratic and Republican proposals; and, fourth, simplify rather than complicate coverage.

This is in sharp contrast, in a number of ways, to past efforts to create untried schemes or to impose mandates upon either businesses or the individual. It also seeks to bridge the divide between Democrats and Republicans. This has certainly not been easy to put together and nor will it be easy to pass. On the other hand, we have tried to start with the tools and principles more likely to get beyond the partisan divide.

As Julie Rovner of the National Journal recently wrote, ''If reforming the nation's healthcare system was easy, the old saw goes, it would have been done long ago. But for the moment, those who care about the issue seem to be succeeding only in butting each other's heads. Republicans keep pushing market-oriented reforms while Democrats want to expand existing public programs. And each party continues to reject the other's ideas. . . .''

The ''Health CARE Act'' seeks to break that partisan gridlock. First, it adopts and builds upon the notion of many Republicans to offer tax credits for the uninsured. As such, the bill would enact a new health insurance tax credit that is both refundable and advanceable to uninsured Americans with incomes up to 200 percent of the poverty level to purchase health coverage through a variety of options, including employer-coverage, State purchasing pools, or even the individual market—something pushed by a number of Republicans for many years but rejected by many Democrats.

Second, the legislation expands coverage through a State option with Federal financial support through the Medicaid program to anyone up to 100 percent of the poverty level. Medicaid has been a tried and tested program for low-income Americans over the years and is a far better and more viable option to people with incomes below the poverty level than a tax credit would be. Furthermore, few beneath the poverty level have the option of employer-coverage. Therefore, public programs, such as Medicaid, for low-income Americans makes far more sense than a tax credit.

Furthermore, through the strengthened and improved state purchasing pools provided for in the legislation, individuals and small businesses would be afforded better options to get coverage with a choice of plans that is typically not available to them with, what we believe will be, lower costs due to the ability to purchase coverage as a group.

Consequently, this approach attempts to build upon the ideas of both political parties, as it has both public program and tax credit aspects to it. Our hope is that people will see the things both parties like in it rather than focusing on what they do not like. In fact, we have also added the creation of an on-going expert health commission to make recommendations for further reforms and mid-course corrections in the future.

This bill is introduced in the spirit of compromise. To those on the right, I recognize your concern about the expansion of Medicaid as not being as market-oriented as you might prefer, but would point out that tax credits are virtually unworkable and employer-sponsored coverage often unavailable for people below the poverty level and that Medicaid is largely contracted out to private health plans—the same that many of you are enrolled in.

To those on the left, I recognize your concerns about tax credits and the potential for adverse selection with people buying coverage through the individual market, but I say to you that these are tax credits for low-income people and that we have taken steps in the legislation to mitigate problems that the added options in the bill create with respect to adverse selection. I would add that any expansion of coverage to people without health insurance is a good thing.

The most important message that I hope this bill carries is that we must stop having the perfect be the enemy of the good. This proposal is certainly not perfect but we hope it makes a very good start.

I would like to thank the American College of Physicians, or ACP, for their outstanding leadership and help in putting this legislation together. ACP has been a long-standing advocate for expanding health coverage and has authored landmark reports on the important role that health insurance has in reducing people's morbidity and mortality. In fact, to cite the conclusion of one of those studies, ''Lack of insurance contributes to the endangerment of the health of each uninsured American as well as the collective health of the nation.''

I would also like to thank the many people at the Economic and Social Research Institute, or ERSI, on their forethought, advice, and counsel as we refined the proposal over the past number of months. Their non-partisan approach and expertise have been invaluable to making the bill a workable and well-reasoned reality.

It should also be noted that the ideas put forth in the bill are based upon much of the expert work commissioned by ESRI, funded by the Robert Wood Johnson Foundation, and the Task Force on the Future of Health Insurance, funded by the Commonwealth Fund. As a result, the work of a number of other experts is reflected in the legislation and we thank you as well.

Among the endorsing organizations for this legislation are all of the leading primary care physician groups in our country. In addition to the American College of Physicians, the bill has been endorsed by the American Academy of Family Physicians, the American Academy of Pediatrics, and the American Geriatrics Society.

As a practicing physician in New Mexico, Dr. Robert Strickland sums it up well. As he wrote in an editorial

published in the Albuquerque Journal about this legislation yesterday, ''As a New Mexico internist for 31 years, I have seen many uninsured people go without care until it is too late for me to do much to help them. The HealthCARE Act offers the potential of breaking the political gridlock that has allowed this crisis in health care to go on for far too long.''

I hope we can break the gridlock and urge my colleagues to heed the call of our nation's primary care doctors to support this legislation.

I would ask unanimous consent that letters of endorsement from the American College of Physicians, the American Academy of Family Physicians, the American Academy of Pediatrics, the American Geriatrics Society, and Families USA, and the text of the legislation printed in the RECORD.

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

AMERICAN COLLEGE OF PHYSICIANS,
Washington, DC, May 8, 2003.

Hon. JEFF BINGAMAN,
U.S. Senate, 703 Senate Hart Office Building, Washington, DC.

DEAR SENATOR BINGAMAN: on behalf of the American College of Physicians (ACP), I am pleased to express our strong support for the Health Coverage, Affordability, Responsibility and Equity Act of 2003 (HealthCARE Act of 2003). ACP is the largest medical specialty society in the United States, representing 115,000 doctors of internal medicine and medical students.

We very much appreciate the opportunity you have given us to translate many of the ideas in ACP's proposal to provide health insurance coverage to all Americans by the end of the decade into the HealthCARE Act of 2003. Specifically:

States will be given new options to extend health insurance coverage to low-income working Americans, without imposing unfunded mandates on financially strapped state treasuries.

Advance, refundable tax credits will be made available to uninsured working Americans with incomes up to 200 percent of the federal poverty level.

The tax credit will provide a premium subsidy equal to what the Federal Government now provides to its own employees.

Tax credit recipients will have the options of buying coverage through state purchase group arrangements modeled after the Federal Employees Health Benefits Program, giving them the same types and variety of health plan options now available only to federal employees, or from qualified non-group insurers.

Small employers will have new options for obtaining coverage, including having access to the variety and types of health plans offered to federal employees.

An expert advisory commission will recommend essential benefits that participating health plans will be encouraged to offer, as well as ways to expand coverage to those with incomes above 200 percent of the federal poverty level.

ACP is confident that this framework can succeed where other health reform proposals have failed. By offering incentives and choices to states, employers, and consumers, instead of ''one-size-fits-all'' government mandates, the HealthCARE Act has the potential of unifying, instead of dividing, key stakeholders.

The American College of Physicians commends you for your leadership in introducing the HealthCARE Act of 2003, and we look forward to working with you and lawmakers from both political parties in getting the bill enacted into law.

Sincerely,
MUNSEY S. WHEBY, MD, FACP,
President.

MAY 5, 2003.

The Hon. JEFF BINGAMAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR BINGAMAN: On behalf of the 94,300 members of the American Academy of Family Physicians, I commend you for your outstanding leadership in the effort to assure access to health care for the uninsured in this nation. The AAFP has reviewed your draft legislation that would change Medicaid, SCHIP and the federal income tax code to make health coverage more affordable to uninsured Americans. I am pleased to inform you that the AAFP supports your bill and offers you our assistance in seeking its passage.

Your legislative proposal is a wide-ranging measure that would take us noticeably closer to affordable health care coverage for all. For example, your bill would:

assist states in creating purchasing pools to provide low-cost insurance for uninsured individuals with incomes up to 200 percent of the federal poverty level;

allow small businesses to have access to these state-operated purchasing pools so that they can offer affordable health insurance to their employees;

provide states with the new option to offer ''need-based'' eligibility for Medicaid beneficiaries;

remove the federal cap on non-waivered SCHIP coverage; and

offer federal income tax credits and premium subsidies for those currently uninsured whose income is at or below 200 percent of the federal poverty level and who are ineligible for Medicaid for SCHIP coverage or other insurance options.

These and other provisions of your proposal demonstrate your longstanding commitment to the health of everyone in this country and we are pleased and honored to support you in this effort.

Sincerely,
WARREN A. JONES, M.D., FAAFP,
Board Chair.

AMERICAN ACADEMY OF PEDIATRICS,
Washington, DC, May 7, 2003.

Hon. JEFF BINGAMAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR BINGAMAN: On behalf of the 57,000 pediatrician members of the American Academy of Pediatrics (AAP), I write today in support of the Health Coverage, Affordability, Responsibility and Equity Act of 2003.

The problem of the uninsured and underinsured is real and growing. This legislation is an effective way to provide greater access to comprehensive health care for more Americans. This legislation would allow poor and near poor families a variety of options for affordable and comprehensive health coverage.

The Academy especially appreciates the effort to strengthen, not undermine current public programs. Currently, more than 9 million children are uninsured in this country and million more are uninsured for part of the year, churning on and off of health coverage. Seventy percent of the uninsured children are eligible for public programs but unenrolled. This legislation would encourage greater enrollment of these uninsured children by providing financial incentives to the states to enroll and retain these children, and by allowing families to unify their health coverage.

Thank you for your leadership and commitment to our nation's families and their access to quality health care. We look forward to our continued work together.

Sincerely,
E. STEPHEN EDWARDS, M.D.,
President.

AMERICAN GERIATRICS SOCIETY,
New York, NY, April 22, 2003.

Hon. Jeff Bingaman
U.S. Senate,
Washington, DC.

DEAR SENATOR BINGAMAN: The American Geriatrics Society (AGS), an organization of over 6,000 geriatricians and other health professionals who are specially trained in the management of care for frail, chronically ill older patients, is pleased to endorse the Health CARE Act of 2003. We commend you for your sponsorship of this important bill, which seeks to improve health coverage for millions of uninsured Americans.

By simplifying and expanding coverage choices for uninsured individuals and small businesses, your legislation represents a balanced approach to confronting one of our nation's most pressing problems. The consequences of having little or no health insurance are well documented. People without coverage are less likely to have a regular source of care, don't receive recommended health screening services nor do they have appropriate care management for chronic conditions. As a result, uninsured patients often are sicker and are more likely to die sooner than people who have health insurance. Adults in late middle age are especially susceptible to deteriorating health if they never had or lose their health insurance coverage.

The Health CARE Act of 2003 would improve the health of million of Americans expanding their access to health insurance coverage. AGS applauds your willingness to tackle this complex issue and looks forward to working with you to enact this bill.

Sincerely,
JERRY JOHNSON, MD,
President.

APRIL 28, 2003.

Hon. JEFF BINGAMAN,
U.S. Senate, 703 Hart Senate Office Building, Washington, DC 20510.

DEAR SENATOR BINGAMAN: Congratulations on your introduction of the HealthCARE Act of 2003. Your bill is an important initiative that seeks to combine good health policy with the politically achievable.

While Families USA, the national consumer health organization, has historically supported expansions of public programs like Medicaid and SCHIP, we recognize that different approaches are necessary if we are to see the enactment of major reductions in the number of uninsured. Your bill adroitly combines (1) a federally financed expansion of Medicaid and SCHIP to cover all those under 100 percent of the federal poverty level with (2) a premium subsidy/tax credit program to help those under 200 percent of poverty buy into various health insurance plans. Further, it lays the groundwork for an expansion of insurance to the rest of society by the end of the decade.

It is imperative that Congress act as soon as possible to help the nearly one our of three non-elderly Americans who are uninsured sometime during any two-year period. Federal help with Medicaid is particularly urgent to counter the massive cutbacks in coverage by the various states during the current economic downturn. As our recent report (''Going Without Health Insurance, Nearly One in Three Non-Elderly Americans'') shows, the problem of the uninsured,

and the adverse consequences of being uninsured, are much worse than previously reported. In your State of New Mexico, for example, 602,000 people—38.6 percent of the population under age 65—were uninsured sometime in 2002–2002. Of that number, 410,000 were uninsured for more than six months.

Your bill would make a major reduction in these unacceptable numbers. It would greatly improve the quality of health and security in America, and we look forward to working with you towards its enactment.

Sincerely,

RONALD F. POLLACK,
Executive Director.

S. 1030

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Health Coverage, Affordability, Responsibility, and Equity Act of 2003''or the ''HealthCARE Act of 2003''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

TITLE I—INCREASING HEALTH CARE COVERAGE

Subtitle A—Medicaid and SCHIP

SEC. 101. STATE OPTION TO OFFER MEDICAID COVERAGE BASED ON NEED.

(a) STATE OPTION.—Section 1902(a)(10)(A)(ii) of the Social Security Act (42 U.S.C. 1396a) is amended—

(1) by striking ''or'' at the end of subclause (XVII);

(2) by adding ''or'' at the end of subclause (XVIII); and

(3) by adding at the end the following:

''(XIX) who are not otherwise eligible for medical assistance under this title and whose income does not exceed such income level as the State may establish, expressed as a percentage (not to exceed 100) of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved;''.

(b) INCREASED FMAP.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended—

(1) in the first sentence of subsection (b)—

(A) by striking ''and (4)'' and inserting ''(4)''; and

(B) by inserting before the period the following: '', and (5) in the case of a State that meets the conditions described in paragraph (1) of subsection (x), the Federal medical assistance percentage shall be equal to the need-based enhanced FMAP described in paragraph (2) of subsection (x)''; and

(2) by adding at the end the following:

''(x)(1) For purposes of clause (5) of the first sentence of subsection (b), the conditions described in this subsection are the following:

''(A) The State provides medical assistance to individuals described in subsection (a)(10)(A)(ii)(XIX).

''(B) The State uses streamlined enrollment and outreach measures to all individuals described in subparagraph (A) including—

''(i) the same application and retention procedures (such as 1-page enrollment forms and enrollment by mail) used by the majority of State programs under title XXI during the preceding year; and

''(ii) outreach efforts proportional in scope and reasonably expected effectiveness to those employed by the State during a comparable stage of implementation of the State's program under title XXI.

''(C) The State applies eligibility standards and methodologies under this title with respect to individuals residing in the State who have not attained age 65 that are not more restrictive (as determined under section 1902(a)(10)(C)(i)(III)) than the standards and methodologies that applied under this title with respect to such individuals as of July 1, 2003.

''(2)(A) For purposes of clause (5) of the first sentence of subsection (b), the need-based enhanced FMAP for a State for a fiscal year, is equal to the Federal medical assistance percentage (as defined in the first sentence of subsection (b)) for the State increased, subject to subparagraph (B), by such percentage increase as would compensate all States for the additional expenditures that would be incurred by all States if the States were to provide medical assistance to all individuals whose income does not exceed 100 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved and who are eligible for such assistance only on the basis of section 1902(a)(10)(A)(ii)(XIX).

''(B) In the case of a State that provides medical assistance to individuals described in section 1902(a)(10)(A)(ii)(XIX) but limits such assistance to individuals with income at or below a percentage of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved that is less than 100, the Secretary shall reduce the need-based enhanced FMAP otherwise determined for the State under subparagraph (A) by a proportion based on the national income distribution of all individuals in all States who are (regardless of whether such individuals are enrolled under this title) eligible for medical assistance only on the basis of section 1902(a)(10)(A)(ii)(XIX).''.

(c) CONFORMING AMENDMENTS.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended in the matter preceding paragraph (1)—

(1) by striking ''or'' at the end of clause (xii);

(2) by adding ''or'' at the end of clause (xiii); and

(3) by inserting after clause (xiii) the following:

''(xiv) individuals who are eligible for medical assistance on the basis of section 1902(a)(10)(A)(ii)(XIX);''.

(d) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2004, and apply to medical assistance provided on or after that date, without regard to whether final regulations to carry out such amendments have been promulgated by such date.

SEC. 102. STATE OPTION TO PROVIDE COVERAGE OF CHILDREN UNDER SCHIP IN EXCESS OF THE STATE'S ALLOTMENT.

(a) IN GENERAL.—Title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.) is amended by adding at the end the following:

''SEC. 2111. STATE OPTION TO PROVIDE COVERAGE OF CHILDREN IN EXCESS OF THE STATE'S ALLOTMENT.

''(a) STATE OPTION.—In the case of a State that meets the condition described in subsection (b), the following shall apply:

''(1) Notwithstanding section 2105 and without regard to the State's allotment under section 2104, the Secretary shall pay the State an amount for each quarter equal to the enhanced FMAP of expenditures incurred in the quarter that are described in section 2105(a)(1).

''(2) The Secretary shall reduce the State's allotment under section 2104, for the first fiscal year for which the State amendment described in subsection (b) applies, and for each fiscal year thereafter, by an amount equal to the amount that the Secretary determines the State would have expended to provide child health assistance to targeted low-income children during that fiscal year if that State had not elected the State option to provide such assistance in accordance with this section.

''(3) Subsections (f) and (g) of section 2104 shall not apply to the State's reduced allotment (after the application of paragraph (2)).

''(b) CONDITION DESCRIBED.—For purposes of subsection (a), the condition described in this subsection is that the State has made an irrevocable election, through a plan amendment, to provide child health assistance to all targeted low-income children residing in the State (without regard to date of application for assistance) and to cover health services listed in the State plan whenever medically necessary.''.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on October 1, 2004, and apply to child health assistance provided on or after that date, without regard to whether final regulations to carry

out such amendment have been promulgated by such date.

Subtitle B—Refundable Tax Credit for Health Insurance Costs of Low-Income Individuals and Families

SEC. 111. CREDIT FOR HEALTH INSURANCE COSTS OF CERTAIN LOW-INCOME INDIVIDUALS.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 36 as section 37 and inserting after section 35 the following new section:

"SEC. 36. HEALTH INSURANCE COSTS OF ELIGIBLE LOW-INCOME INDIVIDUALS.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the applicable percentage of the amount paid by the taxpayer (or on behalf of the taxpayer) for coverage of the taxpayer or qualifying family members under qualified health insurance for eligible coverage months beginning in such taxable year.

''(b) APPLICABLE PERCENTAGE.—For purposes of this section—

''(1) IN GENERAL.—Subject to paragraph (2), the term 'applicable percentage' means the standard Government contribution (determined for full-time Federal employees enrolling in coverage for which such contribution is not limited by section 8906(b)(1) of title 5, United States Code) for an employee enrolled in a health benefits plan under chapter 89 of title 5, United States Code, for the calendar year in which the taxable year begins, expressed as a percentage of the total premium for such plan.

''(2) INCREASED PERCENTAGE FOR CERTAIN TAXPAYERS.—

''(A) IN GENERAL.—In the case of a taxpayer whose adjusted gross income for the preceding taxable year does not exceed 150 percent of the poverty level, the applicable percentage determined under paragraph (1) shall be increased by such percentage points as the Secretary determines will fully compensate such an individual for the individual's limited purchasing power in comparison to individuals whose adjusted gross income equals the average adjusted gross income for all Federal employees, to the extent that the amount of the resulting increase in the credit amount for all such eligible low-income individuals for the taxable year is not reasonably expected to exceed the 5 percentage point dollar amount for that year, as determined under subparagraph (B).

''(B) DETERMINATION OF 5 PERCENTAGE POINT DOLLAR AMOUNT.—For purposes of subparagraph (A), the 5 percentage point dollar amount for any taxable year is the product of—

''(i) the total number of individuals receiving credits under this section for such year, and

''(ii) the amount equal to 5 percent of the average health insurance premium amount to which such credits are applied.

''(C) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed to prevent the Secretary from establishing more than 1 level of supplemental assistance that provides greater assistance to individuals with lower income, determined as a percentage of poverty.

''(3) APPLICATION OF FEHBP COVERAGE CATEGORIES TO DETERMINATION OF CREDIT.—The percentages described in paragraphs (1) and (2) shall be applied to a taxpayer consistent with the coverage categories (such as self or family coverage) applied with respect to a health benefits plan under chapter 89 of title 5, United States Code.

''(c) MAXIMUM PREMIUM AMOUNT.—The amount paid for qualified health insurance taken into account under subsection (a) for any taxable year shall not exceed an amount equal to the capped premium established for the applicable State under section 204(c)(10) of the Health Coverage, Affordability, Responsibility, and Equity Act of 2003 for the calendar year in which the such taxable year begins.

''(d) ELIGIBLE COVERAGE MONTH.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible coverage month' means any month if during such month the taxpayer or a qualifying family member—

''(A) is an eligible low-income individual,

''(B) is covered by qualified health insurance, the premium for which is paid by the taxpayer (or on behalf of the taxpayer),

''(C) does not have other specified coverage, and

''(D) is not imprisoned under Federal, State, or local authority.

''(2) JOINT RETURNS.—In the case of a joint return, the requirement of paragraph (1)(A) shall be treated as met with respect to any month if at least 1 spouse satisfies such requirement.

''(e) ELIGIBLE LOW-INCOME INDIVIDUAL.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible low-income individual' means an individual—

''(A) who has not attained age 65,

''(B) whose adjusted gross income does not exceed 200 percent of the poverty level,

''(C) who is ineligible for the medicaid program or the State children's health insurance program under title XIX or XXI of the Social Security Act (other than under section 1928 of such Act),

''(D) who has limited access to health insurance coverage through the employer of the individual or a member of the individual's family (either because the employer does not offer such coverage to the individual or because the employee contribution for such coverage would exceed an amount equal to 5 percent of the household income of such individual, as determined in accordance with paragraph (2)),

''(E) who applies for a credit under this section not later than 60 days after receiving notice of potential eligibility for such credit, under procedures established by the Secretary, and

''(F) who resides in a State where the eligibility standards and methodologies applied under the medicaid and State children's health insurance programs with respect to individuals residing in the State who have not attained age 65 are not more restrictive (as determined under section 1902(a)(10)(C)(i)(III) of the Social Security Act) than the standards and methodologies that applied under such programs with respect to such individuals as of July 1, 2003.

''(2) DETERMINATION OF ELIGIBILITY.—

''(A) SCHIP AGENCY.—

''(i) IN GENERAL.—The determination of whether an individual is an eligible low-income individual for purposes of this section shall be made by the State agency with responsibility for determining the eligibility of individuals for assistance under the State children's health insurance program under title XXI of the Social Security Act.

''(ii) APPLICATION OF SCREEN AND ENROLL REQUIREMENTS.—

''(I) IN GENERAL.—The State agency referred to in clause (i) shall ensure that individuals applying for a certificate of eligibility are screened for potential eligibility under the medicaid and State children's health insurance programs and that individuals found through screening to be eligible for assistance under such a program are enrolled for assistance under the appropriate program. To the maximum extent possible pursuant to State options under title XIX of the Social Security Act, and notwithstanding any otherwise applicable provision of, or State plan provision under, such title, screening and enrollment activities described in the previous sentence shall use the procedures employed by the State children's health insurance program operated under title XXI of the Social Security Act, if such procedures differ from those ordinarily employed by the State program operated under title XIX of such Act.

''(II) NO DELAY OF ISSUANCE OF CERTIFICATE.—The application of the screen and enroll requirements of clause (i) shall not delay the issuance of a certificate of eligibility to an individual for purposes of this section. The State agency referred to in clause (i) shall adopt procedures to ensure than an individual issued a certificate of eligibility under this paragraph who is subsequently determined to be eligible for the State medicaid program under title XIX of the Social Security Act or the State children's health insurance program under XXI of such Act shall be enrolled in the appropriate program without an interruption in the individual's health insurance coverage.

''(B) STANDARDS.—

''(i) IN GENERAL.—An individual is an eligible low-income individual for purposes of this section if—

''(I) on the basis of the individual's tax return for the preceding taxable year, the individual meets the requirements of paragraph (1)(B), and the individual otherwise satisfies the requirements of paragraph (1), or

''(II) the individual is determined to satisfy the requirements of paragraph (1) after the application of the same eligibility methodologies as would apply for purposes of determining the eligibility of an individual for assistance under the State children's health insurance program under title XXI of the Social Security Act.

''(ii) APPLICATION OF SCHIP INCOME DETERMINATION METHODOLOGIES.—For purposes of clause (i)(II), determinations of income levels shall be made using the methodologies described in that clause, to the extent such methodologies for ascertaining household income differ from any otherwise applicable method for determining adjusted gross income or the definition of adjusted gross income.

''(C) CERTIFICATE OF ELIGIBILITY.—

''(i) IN GENERAL.—An individual who is determined to be an eligible low-income individual shall be issued a certificate of eligibility by the State agency referred to in subparagraph (A).

''(ii) CERTIFICATE AMOUNT.—Such certificate shall indicate the applicable percentage of the amount paid for coverage under qualified health insurance that the individual is eligible for under this section (including any supplemental assistance which the individual may be eligible for under subsection (b)(2), unless the individual elects to not receive such supplemental assistance).

''(iii) 12-MONTH PERIOD OF ISSUE.—The certificate of eligibility shall apply for a 12-month period from the date of issue, notwithstanding any changes in household circumstances following the individual's application for a credit under this section or supplemental assistance.

''(D) SUPPLEMENTAL ASSISTANCE.—The State agency described in subparagraph (A) shall determine an individual's eligibility for supplemental assistance under subsection (b)(2) based on the methodologies referred to in subparagraph (B)(ii).

''(f) QUALIFYING FAMILY MEMBER.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualifying family member' means—

''(A) the taxpayer's spouse, and

''(B) any dependent of the taxpayer with respect to whom the taxpayer is entitled to a deduction under section 151(c).

Such term does not include any individual who is not an eligible low-income individual under subsection (e)(1).

''(2) SPECIAL DEPENDENCY TEST IN CASE OF DIVORCED PARENTS, ETC.—If paragraph (2) or (4) of section 152(e) applies to any child with respect to any calendar year, in the case of any taxable year beginning in such calendar year, such child shall be treated as described in paragraph (1)(B) with respect to the custodial parent (within the meaning of section 152(e)(1)) and not with respect to the noncustodial parent.

''(g) QUALIFIED HEALTH INSURANCE.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified health insurance' means any of the following:

''(A) Coverage under an insurance plan participating in a purchasing pool established pursuant to section 203 of the Health Coverage, Affordability, Responsibility, and Equity Act of 2003.

''(B) Coverage under individual health insurance pursuant to section 212 of such Act.

''(C) Coverage, pursuant to section 213 of such Act, under the medicaid program or the State children's health insurance program if 1 or more family members qualifies for coverage under such program.

''(D) Coverage, pursuant to section 214 of such Act, under an employer-sponsored insurance plan, including—

''(i) coverage under a COBRA continuation provision (as defined in section 9832(d)(1)),

''(ii) State-based continuation coverage provided under a State law that requires such coverage,

''(iii) coverage voluntarily offered by a former employer of the individual or family member; or

''(iv) coverage under a group health plan that is available through the employment of the individual or a family member.

''(2) EXCEPTION.—The term 'qualified health insurance' shall not include—

''(A) a flexible spending or similar arrangement, and

''(B) any insurance if substantially all of its coverage is of excepted benefits described in section 9832(c).

''(3) DEFINITIONS.—For purposes of this subsection—

''(A) EMPLOYER-SPONSORED INSURANCE.—

''(i) IN GENERAL.—The term 'employer-sponsored insurance' means any insurance which covers medical care under any health plan maintained by any employer (or former employer) of the taxpayer or the taxpayer's spouse.

''(ii) TREATMENT OF CAFETERIA PLANS.—For purposes of clause (i), the cost of coverage shall be treated as paid or incurred by an employer to the extent the coverage is in lieu of a right to receive cash or other qualified benefits under a cafeteria plan (as defined in section 125(d)).

''(B) INDIVIDUAL HEALTH INSURANCE.—The term 'individual health insurance' means any insurance which constitutes medical care offered to individuals other than in connection with a group health plan and does not include Federal- or State-based health insurance coverage.

''(h) OTHER SPECIFIED COVERAGE.—For purposes of this section, an individual has other specified coverage for any month if, as of the first day of such month—

''(1) COVERAGE UNDER MEDICARE.—Such individual is entitled to benefits under part A of title XVIII of the Social Security Act or is enrolled under part B of such title.

''(2) CERTAIN OTHER COVERAGE.—Such individual—

''(A) is enrolled in a health benefits plan under chapter 89 of title 5, United States Code, or

''(B) is entitled to receive benefits under chapter 55 of title 10, United States Code.

''(i) FEDERAL POVERTY LEVEL; POVERTY LEVEL; POVERTY.—For purposes of this section, the terms 'Federal poverty level' , 'poverty level', and 'poverty' mean the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.

''(j) SPECIAL RULES.—

''(1) COORDINATION WITH ADVANCE PAYMENTS OF CREDIT.—With respect to any taxable year, the amount which would (but for this subsection) be allowed as a credit to the taxpayer under subsection (a) shall be reduced (but not below zero) by the aggregate amount paid on behalf of such taxpayer under section 7528 for months beginning in such taxable year.

''(2) COORDINATION WITH OTHER DEDUCTIONS.—Amounts taken into account under subsection (a) shall not be taken into account in determining any deduction allowed under section 162(l) or 213.

''(3) MSA DISTRIBUTIONS.—Amounts distributed from an Archer MSA (as defined in section 220(d)) shall not be taken into account under subsection (a).

''(4) DENIAL OF CREDIT TO DEPENDENTS.—No credit shall be allowed under this section to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

''(5) BOTH SPOUSES ELIGIBLE LOW-INCOME INDIVIDUALS.—The spouse of the taxpayer shall not be treated as a qualifying family member for purposes of subsection (a), if—

''(A) the taxpayer is married at the close of the taxable year,

''(B) the taxpayer and the taxpayer's spouse are both eligible low-income individuals during the taxable year, and

''(C) the taxpayer files a separate return for the taxable year.

''(6) MARITAL STATUS; CERTAIN MARRIED INDIVIDUALS LIVING APART.—Rules similar to the rules of paragraphs (3) and (4) of section 21(e) shall apply for purposes of this section.

''(7) INSURANCE WHICH COVERS OTHER INDIVIDUALS.—For purposes of this section, rules similar to the rules of section 213(d)(6) shall apply with respect to any contract for qualified health insurance under which amounts are payable for coverage of an individual other than the taxpayer and qualifying family members.

''(8) TREATMENT OF PAYMENTS.—For purposes of this section:

''(A) PAYMENTS BY SECRETARY.—Any payment made by the Secretary on behalf of any individual under section 7528 (relating to advance payment of credit for health insurance costs of eligible low-income individuals) shall be treated as having been made by the taxpayer (or on behalf of the taxpayer) on the first day of the month for which such payment was made.

''(B) PAYMENTS BY TAXPAYER.—Any payment made by the taxpayer (or on behalf of the taxpayer) for eligible coverage months shall be treated as having been so made on the first day of the month for which such payment was made.

''(9) REGULATIONS.—

''(A) IN GENERAL.—The Secretary, in consultation with the Secretary of Health and Human Services, shall administer the credit allowed under this section and shall prescribe such regulations and other guidance as may be necessary or appropriate to carry out this section, section 6050U, and section 7528.

''(B) ELIGIBILITY DETERMINATIONS.—Such regulations shall include such standards as the Secretary of Health and Human Services may specify with respect to the requirements for eligibility determinations under subsection (e)(2).

''(C) MEASURES TO COMBAT FRAUD AND ABUSE.—Such regulations shall include appropriate procedures to deter, detect, and penalize fraudulent efforts to obtain a credit under this section by individuals, providers of qualified health insurance, and others.''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period '', or from section 36 of such Code''.

(2) The table of sections for subpart C of part IV of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following new items:

''Sec. 36. Health insurance costs of eligible low-income individuals.

''Sec. 37. Overpayments of tax.''.

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

(d) REIMBURSEMENT FOR ADMINISTRATIVE COSTS INCURRED IN DETERMINING ELIGIBILITY FOR CREDIT.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall reimburse States for the reasonable administrative costs incurred in making eligibility determinations in accordance with section 36(e) of the Internal Revenue Code of 1986 (as added by subsection (a)). Such reimbursement shall not apply to State costs required under the medicaid or State children's health insurance programs.

(2) APPLICATION.—A State desiring reimbursement under this subsection shall submit an application to the Secretary of Health and Human Services in such manner, at such time, and containing such information as the Secretary may require.

(3) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated such sums as may be necessary to carry out this subsection.

SEC. 112. ADVANCE PAYMENT OF CREDIT FOR HEALTH INSURANCE COSTS OF ELIGIBLE LOW-INCOME INDIVIDUALS.

(a) IN GENERAL.—Chapter 77 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

''SEC. 7528. ADVANCE PAYMENT OF CREDIT FOR HEALTH INSURANCE COSTS OF ELIGIBLE LOW-INCOME INDIVIDUALS.

''(a) GENERAL RULE.—Not later than August 1, 2005, the Secretary shall establish a program for making payments on behalf of certified individuals to providers of qualified health insurance (as defined in section 36(g)) for such individuals.

''(b) LIMITATION ON ADVANCE PAYMENTS DURING ANY TAXABLE YEAR.—The Secretary may make payments under subsection (a) only to the extent that the total amount of such payments made on behalf of any individual during the taxable year is not reasonably expected to exceed the applicable percentage (as defined in section 36(b)) of the amount paid by the taxpayer (or on behalf of the taxpayer) for coverage of the taxpayer and qualifying family members under qualified health insurance for eligible coverage months beginning in the taxable year.

''(c) CERTIFIED INDIVIDUAL.—For purposes of this section, the term 'certified individual' means any individual for whom a health coverage eligibility certificate is in effect.

''(d) HEALTH COVERAGE ELIGIBILITY CERTIFICATE.—For purposes of this section, the term 'health coverage eligibility certificate' means any written statement that an individual is an eligible low-income individual (as defined in section 36(e)) if such statement provides such information as the Secretary may require for purposes of this section and is issued by the State agency responsible for administering the State children's health insurance program under title XXI of the Social Security Act.''.

(b) DISCLOSURE OF RETURN INFORMATION FOR PURPOSES OF CARRYING OUT A PROGRAM FOR ADVANCE PAYMENT OF CREDIT FOR HEALTH INSURANCE COSTS OF ELIGIBLE LOW-INCOME INDIVIDUALS.—

(1) IN GENERAL.—Subsection (l) of section 6103 of the Internal Revenue Code of 1986 (relating to disclosure of returns and return information for purposes other than tax administration) is amended by adding at the end the following new paragraph:

''(19) DISCLOSURE OF RETURN INFORMATION FOR PURPOSES OF CARRYING OUT A PROGRAM FOR ADVANCE PAYMENT OF CREDIT FOR HEALTH INSURANCE COSTS OF ELIGIBLE LOW-INCOME INDIVIDUALS.—The Secretary may disclose to providers of health insurance for any certified individual (as defined in section 7528(c)) return information with respect to such certified individual only to the extent necessary to carry out the program established by section 7528 (relating to advance payment of credit for health insurance costs of eligible low-income individuals).''.

(2) PROCEDURES AND RECORDKEEPING RELATED TO DISCLOSURES.—Subsection (p) of such section is amended—

(A) in paragraph (3)(A) by striking ''or (18)'' and inserting ''(18), or (19)'', and

(B) in paragraph (4), as amended by section 202(b)(2)(B) of the Trade Act of 2002 (Public Law 107–210; 116 Stat. 961), by striking ''or (17)'' after ''any other person described in subsection (l)(16)'' each place it appears and inserting ''(18), or (19)''.

(3) UNAUTHORIZED INSPECTION OF RETURNS OR RETURN INFORMATION.—Section 7213A(a)(1)(B) of such Code is amended by striking ''section 6103(n)'' and inserting ''subsection (l)(18) or (19) or (n) of section 6103''.

(c) INFORMATION REPORTING.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 (relating to information concerning transactions with other persons) is amended by inserting after section 6050T the following new section:

''SEC. 6050U. RETURNS RELATING TO CREDIT FOR HEALTH INSURANCE COSTS OF ELIGIBLE LOW-INCOME INDIVIDUALS.

''(a) REQUIREMENT OF REPORTING.—Every person who is entitled to receive payments for any month of any calendar year under section 7528 (relating to advance payment of credit for health insurance costs of eligible low-income individuals) with respect to any certified individual (as defined in section 7528(c)) shall, at such time as the Secretary may prescribe, make the return described in subsection (b) with respect to each such individual.

''(b) FORM AND MANNER OF RETURNS.—A return is described in this subsection if such return—

''(1) is in such form as the Secretary may prescribe, and

''(2) contains—

''(A) the name, address, and TIN of each individual referred to in subsection (a),

''(B) the number of months for which amounts were entitled to be received with respect to such individual under section 7528 (relating to advance payment of credit for health insurance costs of eligible low-income individuals),

''(C) the amount entitled to be received for each such month, and

''(D) such other information as the Secretary may prescribe.

''(c) STATEMENTS TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under subsection (a) shall furnish to each individual whose name is required to be set forth in such return a written statement showing—

''(1) the name and address of the person required to make such return and the phone number of the information contact for such person, and

''(2) the information required to be shown on the return with respect to such individual.

The written statement required under the preceding sentence shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) is required to be made.''.

(2) ASSESSABLE PENALTIES.—

(A) Subparagraph (B) of section 6724(d)(1) of such Code (relating to definitions) is amended by redesignating clauses (xii) through (xviii) as clauses (xiii) through (xix), respectively, and by inserting after clause (xi) the following new clause:

''(xii) section 6050U (relating to returns relating to credit for health insurance costs of eligible low-income individuals),''.

(B) Paragraph (2) of section 6724(d) of such Code is amended by striking ''or'' at the end of subparagraph (AA), by striking the period at the end of subparagraph (BB) and inserting '', or'', and by adding after subparagraph (BB) the following new subparagraph:

''(CC) section 6050U (relating to returns relating to credit for health insurance costs of eligible low-income individuals).''.

(d) CLERICAL AMENDMENTS.—

(1) ADVANCE PAYMENT.—The table of sections for chapter 77 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 7528. Advance payment of credit for health insurance costs of eligible low-income individuals.''.

(2) INFORMATION REPORTING.—The table of sections for subpart B of part III of subchapter A of chapter 61 of such Code is amended by inserting after the item relating to section 6050T the following new item:

''Sec. 6050U. Returns relating to credit for health insurance costs of eligible low-income individuals.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2006.

TITLE II—IMPROVING ACCESS TO HEALTH PLANS

SEC. 201. DEFINITIONS.

In this title:

(1) ELIGIBLE INDIVIDUAL.—The term ''eligible individual'' means an individual with respect to whom a tax credit is allowed under section 36 of the Internal Revenue Code of 1986 (as added by section 111).

(2) PARTICIPATING INSURER.—The term ''participating insurer'' means an entity with a contract under section 205(a).

(3) PRIVATE GROUP HEALTH INSURANCE PLAN.—The term ''private group health insurance plan'' means a plan offered by a participating insurer that provides health benefits coverage to eligible individuals and that meets the requirements of this title.

(4) PURCHASING POOL OPERATOR.—The term ''purchasing pool operator'' means the entity designated by the State under section 204.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(6) SMALL EMPLOYER.—The term ''small employer'' means an employer with not less than 2 and not more than 100 employees.

SEC. 202. ESTABLISHMENT OF HEALTH INSURANCE PURCHASING POOLS.

There is established a program under which the Secretary shall ensure that each eligible individual has the opportunity to enroll, through a purchasing pool operator, in a private group health insurance plan offered by a participating insurer under this title.

SEC. 203. PURCHASING POOLS.

(a) ESTABLISHMENT OF PURCHASING POOLS.—Each State participating in the program under this title shall establish a purchasing pool that is available to each eligible individual who resides in the State.

(b) TYPES OF PURCHASING POOLS.—

(1) IN GENERAL.—A purchasing pool established under subsection (a) shall be 1 of the following:

(A) A statewide purchasing pool operated by the State.

(B) A statewide purchasing pool operated on behalf of the State by the Director of the Office of Personnel Management, or the designee of such Director.

(2) OPM OPERATED POOL.—In the case of a statewide purchasing pool described in paragraph (1)(B), the Director of the Office of Personnel Management or the Director's designee, may limit participating insurers in such pool to those described in section 205(e), except that the Director or such designee shall ensure that additional private group health insurance plans participate in such a pool to the extent necessary to meet the requirements of section 204(c)(9).

(c) STATE ELECTION PROCESS.—

(1) IN GENERAL.—Each State participating in the program under this title shall notify the Secretary, not later than January 4, 2005, of the type of purchasing pool that applies to residents of the State.

(2) DEFAULT CHOICE.—If a State participating in the program under this title fails to notify the Secretary of the type of purchasing pool elected by the State by the date described in paragraph (1), the State shall be deemed to have elected the type of purchasing pool described in subsection (b)(1)(B).

(3) CHANGE OF ELECTION.—The Secretary shall establish procedures under which a State participating in the program under this title may change the election of the type of purchasing pool applicable to residents of the State.

SEC. 204. PURCHASING POOL OPERATORS.

(a) DESIGNATION.—Each State shall designate a purchasing pool operator that shall be responsible for operating the purchasing pool established under section 203(a). A purchasing pool operator may be (or, to have 1 or more of its functions performed, may contract with) a private entity that has entered into a contract with the State if such entity meets requirements established by the Secretary for purposes of the program under this title.

(b) OPERATION SIMILAR TO FEHBP.—Each purchasing pool operator shall operate the purchasing pool established under section 203(a) in a manner that is similar to the manner in which the Director of the Office of Personnel Management operates the Federal employees' health benefits program under chapter 89 of title 5, United States Code, including (but not limited to) the performance of the specific functions described in subsection (c).

(c) SPECIFIC FUNCTIONS DESCRIBED.—The specific functions described in this subsection include the following:

(1) Each purchasing pool operator shall offer one-stop shopping for eligible individuals to enroll for health benefits coverage

under private, group health insurance plans offered by participating insurers.

(2) Each purchasing pool operator shall limit participating insurers to those that meet the conditions for participation described in this title.

(3) Each purchasing pool operator shall negotiate (or, in the case of a purchasing pool described in section 203(b)(1)(B), shall negotiate or otherwise determine) bids and terms of coverage with insurers.

(4) Each purchasing pool operator shall provide eligible individuals with comparative information on private group health insurance plans offered by participating insurers.

(5) Each purchasing pool operator shall assist eligible individuals in enrolling with a private group health insurance plan offered by a participating insurer.

(6) Each purchasing pool operator shall collect private group health insurance plan premium payments for participating insurers and process such premium payments.

(7) Each purchasing pool operator shall reconcile from year to year aggregate premium payments and claims costs of private group health insurance plans consistent with practices under the Federal employees' health benefits program under chapter 89 of title 5, United States Code.

(8) Each purchasing pool operator shall offer customer service to eligible individuals enrolled for health benefits coverage under a private group health insurance plan offered by a participating insurer.

(9) Each purchasing pool operator shall ensure that each eligible individual has the option of enrolling in either of at least 2 benchmark or benchmark-equivalent plans with—

(A) a premium at or below a cap established by the pool operator for purposes of this title; and

(B) coverage of essential services included in the report required under section 301(e)(2), with cost-sharing consistent with such report.

(10) Each purchasing pool operator shall establish a premium cap for purposes of determining the credit limitation under section 36(c) of the Internal Revenue Code of 1986, as added by section 111(a). The cap required under this paragraph may not be less than the premium charged to Federal employees by the most highly-enrolled health plan under the Federal employees' health benefits program under chapter 89 of title 5, United States Code. If the most highly-enrolled plan in that program differs for Federal enrollees in the State and all Federal enrollees nationally in such plan, the minimum permitted premium cap shall be the lower of such premiums.

SEC. 205. CONTRACTS WITH PARTICIPATING INSURERS.

(a) IN GENERAL.—Each purchasing pool operator shall negotiate and enter into contracts for the provision of health benefits coverage under the program under this title with entities that meet the conditions of participation described in subsection (b) and other applicable requirements of this Act.

(b) CONSUMER INFORMATION.—In carrying out its duty under section 204(c)(4) to inform eligible individuals about private group health plans, the purchasing pool operator shall provide information that meets the requirements of section 212(b)(2).

(c) STATE LICENSURE.—

(1) IN GENERAL.—Subject to paragraph (2), a health plan shall not be a participating insurer unless the plan has a State license to provide State residents with the private group coverage health insurance plans that it offers through the pool.

(2) EXCEPTION.—A pool operator may enter into a contract under subsection (a) to cover pool participants through a health plan without a State license described in paragraph (1) if such plan is offered to Federal employees nationwide and, with respect to such employees, is exempt from State health insurance regulation. Nothing in this paragraph shall be construed to permit coverage of pool participants through such a plan except with groups, contracts, and premium rates that are entirely distinct from those used for individuals covered under the Federal employee's health benefits program under chapter 89 of title 5, United States Code.

(d) ADDITIONAL STOP-LOSS COVERAGE AND REINSURANCE.—Purchasing pool operators are authorized to encourage participation in the program under this title, improve covered benefits, reduce out-of-pocket cost-sharing, limit premiums, or achieve other objectives of this Act by—

(1) funding stop-loss coverage above levels otherwise offered in the purchasing pool; or

(2) providing or subsidizing reinsurance in addition to that provided under section 211.

(e) PARTICIPATION OF FEHBP PLANS.—

(1) IN GENERAL.—Each entity with a contract under section 8902 of title 5, United States Code, shall be a participating insurer unless such entity notifies the Secretary in writing of its intention not to participate in the program under this title prior to such time as is designated by the Secretary so as to allow such decisions to be taken into account with respect to eligible individuals' choice of a private group health insurance plan under such program. Such participation in the program under this title shall include at least the covered benefits and provider networks available through such an entity and shall not involve greater out-of-pocket cost-sharing than the plan offered by such entity pursuant to its contract under section 8902 of title 5, United States Code.

(2) NO EFFECT ON FEHBP COVERAGE.—The Director of Office of Personnel Management shall take such steps as are necessary to ensure that each individual enrolled for health benefits coverage under the program under chapter 89 of title 5, United States Code, is not adversely affected by eligible individuals or others enrolled for coverage under the program under this title. Such steps shall include (but need not be limited to) the establishment of separate risk pools, separate contracts with participating insurers, and separately negotiated premiums.

SEC. 206. OPTIONS FOR HEALTH BENEFITS COVERAGE.

(a) SCOPE OF HEALTH BENEFITS COVERAGE.—The health benefits coverage provided to an eligible individual under a private group health insurance plan offered by a participating insurer shall consist of any of the following:

(1) BENCHMARK COVERAGE.—Health benefits coverage that is equivalent to the benefits coverage in a benchmark benefit package described in subsection (b).

(2) BENCHMARK-EQUIVALENT COVERAGE.—Health benefits coverage that meets the following requirements:

(A) INCLUSION OF ESSENTIAL SERVICES.—The coverage includes each of the essential services identified by the National Advisory Commission on Expanded Access to Health Care and adopted by Congress under title III.

(B) AGGREGATE ACTUARIAL VALUE EQUIVALENT TO BENCHMARK PACKAGE.—The coverage has an aggregate actuarial value that is equal to or greater than the actuarial value of one of the benchmark benefit packages.

(3) ALTERNATIVE COVERAGE.—Any other health benefits coverage that the Secretary determines, upon application by a State, offers health benefits coverage equivalent to or greater than a plan described in and offered under section 8903(1) of title 5, United States Code.

(b) BENCHMARK BENEFIT PACKAGES.—The benchmark benefit packages are as follows:

(1) FEHBP-EQUIVALENT HEALTH BENEFITS COVERAGE.—The plan described in and offered under chapter 89 of title 5, United States Code with the highest number of enrollees under such section for the year preceding the year in which the private group health insurance plan is proposed to be offered.

(2) PUBLIC PROGRAM-EQUIVALENT HEALTH BENEFITS COVERAGE.—Coverage provided under the State plan approved under the medicaid program under title XIX of the Social Security Act or the State children's health insurance program under title XXI of such Act (42 U.S.C. 1396 et seq., 1397aa et seq.) (without regard to coverage provided under a waiver of the requirements of either such program).

(3) COVERAGE OFFERED THROUGH HMO.—The health insurance coverage plan that—

(A) is offered by a health maintenance organization (as defined in section 2791(b)(3) of the Public Health Service Act (42 U.S.C. 33gg–91(b)(3))), and

(B) has the largest insured commercial, nonmedicaid enrollment of covered lives of such coverage plans offered by such a health maintenance organization in the State.

(4) STATE EMPLOYEE COVERAGE.—The health insurance plan that is offered to State employees and has the largest enrollment of covered lives of any such plan.

(5) APPLICATION OF BENCHMARK STANDARDS.—A private group health plan offers benchmark benefits if, with respect to a benchmark plan described in paragraph (1), (2), (3), or (4), the private group health plan covers all items and services offered by the benchmark plan, with out-of-pocket cost-sharing for such items and services that is not greater than under the benchmark plan. Nothing in this title shall be construed to forbid a private group health plan from offering additional items and services not covered by such a benchmark plan or reducing out-of-pocket cost-sharing below levels applicable under such plan.

SEC. 207. ENROLLMENT PROCESS FOR ELIGIBLE INDIVIDUALS.

(a) IN GENERAL.—The Secretary shall establish a process through which an eligible individual—

(1) may make an annual election to enroll in any private group health insurance plan offered by a participating insurer that has been awarded a contract under section 205(a) and serves the geographic area in which the individual resides, provided that such insurer's geographic area of service and guaranteed issuance under this section is conterminous with, or includes all of, a geographic area served pursuant to an entity's contact under section 8902 of title 5, United States Code; and

(2) may make an annual election to change the election under this clause.

(b) RULES.—In establishing the process under subsection (a), the Secretary shall use rules similar to the rules for enrollment, disenrollment, and termination of enrollment under the Federal employees health benefits program under chapter 89 of title 5, United States Code, including the application of the guaranteed issuance provision described in subsection (c).

(c) GUARANTEED ISSUANCE.—An eligible individual who is eligible to enroll for health benefits coverage under a private group health insurance plan that has been awarded a contract under section 205(a) at a time during which elections are accepted under this title with respect to the plan shall not be denied enrollment based on any health status-related factor (described in section 2702(a)(1) of the Public Health Service Act (42 U.S.C. 300gg–1(a)(1))) or any other factor.

SEC. 208. PLAN PREMIUMS.

(a) IN GENERAL.—Each purchasing pool operator shall negotiate (or, in the case of a purchasing pool operated pursuant to section 203(b)(1)(B), shall otherwise determine) a premium for each private group health insurance plan offered by a participating insurer.

(b) PERMITTED PROFIT MARGINS.—

(1) IN GENERAL.—Each premium negotiated under subsection (a) may not permit a profit margin that exceeds the applicable percentage (as defined in paragraph (2)).

(2) APPLICABLE PERCENTAGE DEFINED.—In this subsection, the term ''applicable percentage'' means—

(A) for the first 3 years that a purchasing pool is operated, 2 percent;

(B) for any subsequent year, the percentage determined by the purchasing pool operator, which may not be—

(i) less than the profit margin permitted under the Federal employees health benefits program under chapter 89 of title 5, United States Code; or

(ii) more than a multiple, established by the Secretary for purposes of this subsection, of profit margins permitted under such program.

SEC. 209. ENROLLEE PREMIUM SHARE.

(a) IN GENERAL.—A participating insurer offering a private group health insurance plan that has been awarded a contract under section 205(a) in which the eligible individual is enrolled may not deny, limit, or condition the coverage (including out-of-pocket cost-sharing) or provision of health benefits coverage or vary or increase the enrollee premium share under the plan based on any health status-related factor described in section 2702(a)(1) of the Public Health Service Act (42 U.S.C. 300gg–1(a)(1)) or any other factor.

(b) RISK-ADJUSTED PLAN PAYMENTS AND PREMIUMS CHARGED TO ENROLLEES.—

(1) IN GENERAL.—For each private group health insurance plan operated by a participating insurer, the pool operator shall adjust premium payments to compensate for the difference in health risk factors between plan enrollees and State residents as a whole (including residents who are not eligible individuals). Such adjustments shall employ risk-adjustment mechanisms promulgated by the Secretary.

(2) ADDITIONAL ADJUSTMENTS.—The pool operator shall also provide additional adjustments to premium payments that compensate participating insurers for the cost of keeping out-of-pocket cost-sharing amounts consistent with section 204(c)(9)(B).

(3) ENROLLEE PREMIUM COSTS.—The adjustments described in this subsection shall not affect enrollee premium shares, which shall be based on the premium that would be charged for enrollees with health risk factors for State residents as a whole (as described in paragraph (1)), without taking into account cost-sharing adjustments under section 204(c)(9)(B).

(c) AMOUNT OF PREMIUM.—The amount of the enrollee premium share shall be equal to premium amounts (if any) above the applicable cap set pursuant to section 204(c)(10), plus 100 percent of the remainder minus the applicable percentage (as defined in section 36(b) of the Internal Revenue Code of 1986, as added by section 111).

SEC. 210. PAYMENTS TO PURCHASING POOL OPERATORS AND PAYMENTS TO PARTICIPATING INSURERS.

The Secretary shall establish procedures for making payments to each purchasing pool operator as follows:

(1) RISK-ADJUSTMENT PAYMENT.—The Secretary shall pay each purchasing pool operator for the net costs of risk-adjusted payments to plans under section 209(b), to the extent the sum of upward adjustments exceeds the sum of downward adjustments for the pool operator.

(2) STOP-LOSS AND REINSURANCE PAYMENTS.—

(A) IN GENERAL.—The Secretary shall pay each purchasing pool operator for the applicable percentage (as defined in subparagraph (B)) of—

(i) the costs of any stop-loss coverage funded by the purchasing pool operator under section 205(d)(1); and

(ii) any reinsurance provided in accordance with section 205(d)(2).

(B) APPLICABLE PERCENTAGE DEFINED.—In this paragraph, the term ''applicable percentage'' means—

(i) for the first 3 years that a purchasing pool is operated, 100 percent;

(ii) for the next 2 years that such purchasing pool is operated, 50 percent; and

(iii) for any subsequent year, 0 percent.

(3) PAYMENTS NECESSARY TO KEEP COST-SHARING WITHIN APPLICABLE LIMITS.—The Secretary shall make payments to purchasing pool operators to reimburse purchasing pool operators for the amount paid by such operators to participating insurers necessary to keep out-of-pocket cost-sharing for individuals with limited ability to pay within applicable limits.

(4) PAYMENT FOR ADMINISTRATIVE COSTS.—The Secretary shall make payments to each purchasing pool operator for necessary pool administrative expenses.

(5) PAYMENTS TO OPM.—In the case of a purchasing pool described in section 203(b)(1)(B), payments under this section shall be made to the Director of the Office of Personnel Management.

SEC. 211. STATE-BASED REINSURANCE PROGRAMS.

(a) ESTABLISHMENT.—The Secretary shall establish standards for State-based reinsurance programs for eligible individuals to guard against adverse selection and to improve the functioning of the individual health insurance market.

(b) GRANTS FOR STATEWIDE REINSURANCE PROGRAMS.—

(1) IN GENERAL.—The Secretary may award grants to States for the reasonable costs incurred in providing reinsurance under this section, consistent with standards developed by the Secretary, for coverage offered in the individual health insurance market and through State-based purchasing pools described in section 203.

(2) LIMITATION.—Such grants may not pay for reinsurance extending beyond individuals in the top 3 percent of the national health care spending distribution, as determined by the Secretary.

(3) APPLICATION.—A State desiring a grant under this section shall submit an application to the Secretary in such manner, at such time, and containing such information as the Secretary may require.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such sums as may be necessary for making grants under this section.

SEC. 212. COVERAGE UNDER INDIVIDUAL HEALTH INSURANCE.

(a) IN GENERAL.—Eligible individuals may use credits allowed under the Internal Revenue Code of 1986 (including supplemental assistance provided under such Code) for the purchase of health insurance coverage to enroll in State-licensed individual health insurance meeting the conditions of participation described in subsection (b).

(b) CONDITIONS OF PARTICIPATION.—The Secretary shall promulgate regulations that establish the terms and conditions under which an entity may participate in the program under this section and that include the following:

(1) PLAN MARKETING.—Conditions of participation for plans in the individual market (as developed by the Secretary) that—

(A) ensure that consumers receive the consumer information described in paragraph (2) before selecting a plan; and

(B) detect, deter, and penalize marketing fraud by entities offering or purporting to offer individual insurance.

(2) CONSUMER INFORMATION.—Requirements for each entity offering individual insurance to provide eligible individuals with information in a uniform and easily comprehensible manner that allows for informed comparisons by eligible individuals and that includes information regarding the health benefits coverage, costs, provider networks, quality, the amount and proportion of health insurance premium payments that go directly to patient care, and the plan's coverage rules (including amount, duration, and scope limits) and out-of-pocket cost-sharing (both inside and outside plan networks) for each essential service recommended by the National Advisory Commission on Expanded Access to Health Care and adopted by Congress under title III (which shall be prominently identified as an essential service, including by reference to the Commission recommendation denoting the service as essential). To the maximum extent feasible, such requirements shall specify that the content and presentation of the information shall be provided in the same manner as similar information is presented to enrollees in the Federal employees health benefits program under chapter 89 of title 5, United States Code.

(3) OTHER CONDITIONS, INCLUDING THE ELIMINATION OF BARRIERS TO AFFORDABLE COVERAGE.—

(A) IN GENERAL.—Requirements for each entity offering individual insurance to abide by conditions of participation that the Secretary believes are reasonable and appropriate measures to address barriers to affordable health insurance coverage.

(B) SPECIFIC CONDITIONS.—The requirements developed by the Secretary under subparagraph (A) shall include (but need not be limited to)—

(i) guaranteed renewability, without premium increases based on changed individual risk; and

(ii) limits on risk rating.

(4) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to authorize the Secretary to impose any requirements on individual insurance, except with respect to eligible individuals purchasing individual insurance using advance payment of a tax credit provided under section 36 of the Internal Revenue Code of 1986.

SEC. 213. USE OF PREMIUM SUBSIDIES TO UNIFY FAMILY COVERAGE WITH MEMBERS ENROLLED IN MEDICAID AND SCHIP.

Notwithstanding any other provision of law, the Secretary shall establish procedures under which, in the case of a family with 1 or more members enrolled in with a managed care entity under the State medicaid program under title XIX of the Social Security Act or the State children's health insurance program under title XXI of such Act (42 U.S.C. 1396 et seq., 1397aa et seq.) and 1 or more members who are an eligible individual under this title, the family shall have the option to enroll all family members with the managed care entity under either or both such State programs. The procedures established by the Secretary shall provide that premiums charged to eligible individuals for enrollment with such an entity shall be based on the capitated payments established for adults or children, excluding adults and children who are known to be pregnant, blind, disabled, or (in the case of adults) elderly, under the applicable State program

(except that, in the case of an eligible individual known to be pregnant, premiums shall reflect capitated payments established under such State program for individuals known to be pregnant) plus reasonable administrative costs.

SEC. 214. COVERAGE THROUGH EMPLOYER-SPONSORED HEALTH INSURANCE.

(a) IN GENERAL.—Eligible individuals may use credits allowed under the Internal Revenue Code of 1986 and supplemental assistance to enroll in coverage offered by eligible employers.

(b) ELIGIBLE EMPLOYERS.—For purposes of this section, the term ''eligible employers'' includes the following:

(1) The current employer of the eligible individual or a member of such individuals family.

(2) A former employer required to offer coverage of the eligible individual under a COBRA continuation provision (as defined in section 9832(d)(1) of the Internal Revenue Code) or a State law requiring continuation coverage; and

(3) A former employer voluntarily offering coverage of the eligible individual.

(c) APPLICATION OF DISREGARD OF PREEXISTING CONDITIONS EXCLUSIONS.—Notwithstanding any other provision of law, in the case of an individual who experiences a qualifying event (as defined in section 603 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1163) and who, not later than 6 months after such event, is determined to be an eligible individual under this title, the same rules with respect to preexisting conditions as apply to a nonelecting TAA-eligible individual under section 605(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1165(b)) shall apply with respect to such individual, regardless of which type of qualified coverage the individual purchases.

(d) EXTENSION OF COBRA ELECTION PERIOD.—Notwithstanding any other provision of law, in the case of an individual who experiences a qualifying event (as defined in section 603 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1163) and who, not later than 6 months after such event, is determined to be an eligible individual under this title, the same rules with respect to the temporary extension of a COBRA election period as apply to a nonelecting TAA-eligible individual under section 605(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1165(b)) shall apply with respect to such individual.

(e) CURRENT EMPLOYER COVERAGE.—If an eligible individual uses the credits allowed under the Internal Revenue Code of 1986 and supplemental assistance to purchase coverage from an employer described in subsection (b), such credits and assistance shall apply as a percentage, not of the total premium amount for the eligible individual, but of the employee's or former employee's share of premium payments.

SEC. 215. PARTICIPATION BY SMALL EMPLOYERS.

(a) IN GENERAL.—Notwithstanding any other provision of this title, the Secretary shall establish procedures under which, during annual open enrollment periods, a small employer shall have the option of purchasing group coverage for employees and dependents of employees, including individuals who are not otherwise eligible individuals under this title, through a purchasing pool established under section 203(a).

(b) CONDITIONS OF PARTICIPATION.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the same requirements that apply with respect to participating insurers covering eligible low-income individuals under section 203 shall apply with respect to coverage offered by such insurers through a small employer.

(2) RISK ADJUSTMENT.—

(A) INCREASED PAYMENTS.—If employees of a small employer who are not otherwise eligible individuals under this title enroll in a private group health insurance plan under this title and have a collective risk level that exceeds the statewide average (as determined pursuant to risk adjustment mechanisms developed by the Secretary consistent with section 209(b)(1)), the Secretary (through a pool operator) shall provide participating insurers with such small employer enrollment bonus payments as are necessary to compensate the insurers for such increased risk. The premium charged to enrollees under this section shall be the same premium that is the basis of premium charges to enrollees who are eligible low-income individuals.

(B) REDUCED PAYMENTS.—A pool operator shall reduce payments to any plan with a risk level that falls below the statewide average (as so determined).

(3) ADMINISTRATIVE GUIDELINES.—The Secretary shall develop guidelines for pool operators to use in serving small employers, which shall be modeled after existing, successful, longstanding small business purchasing cooperatives, and shall include administratively simple methods for small employers and licensed insurance brokers to participate in the program established under this title.

(c) INFORMATION CAMPAIGN.—

(1) IN GENERAL.—The pool operator for a State shall establish and conduct, directly or through 1 or more public or private entities (which may include licensed insurance brokers), a health insurance information program to inform small employers about health coverage for employees.

(2) REQUIREMENTS.—The program established under paragraph (1) shall educate small employers with respect to matters that include (but are not limited to) the following:

(A) The benefits of providing health insurance to employees, including tax benefits to both the employer and employees, increased productivity, and decreased employee turnover.

(B) The rights of small employers under Federal and State health insurance reform laws.

(C) Options for purchasing coverage, including (but not limited to) through the State's purchasing pool operated pursuant to section 203.

(d) GRANTS TO HELP STATE-BASED POOLS PROMOTE SMALL BUSINESS COVERAGE.—

(1) IN GENERAL.—The Secretary may award grants to a pool operator for the following:

(A) The net costs of risk-adjusted payments under paragraph (b)(2), to the extent the sum of upward adjustments exceeds the sum of downward adjustments for the pool operator.

(B) The reasonable cost of the information campaign under subsection (c).

(C) The pool operator's reasonable administrative costs to implement this section.

(2) LIMITATION.—This section shall not apply to a State's pool unless sufficient grant funds have been received under this subsection to implement this section on a fiscally sound basis and such receipt is certified by the pool operator.

(3) APPLICATION.—A pool operator desiring a grant under this section shall submit an application to the Secretary in such manner, at such time, and containing such information as the Secretary may require.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such sums as may be necessary for making grants under this section.

SEC. 216. REPORT.

Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report containing recommendations for such legislative and administrative changes as the Secretary determines are appropriate to permit affinity groups related for reasons other than a common employer to participate in purchasing pools established under section 203.

SEC. 217. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated, such sums as may be necessary to carry out this title for fiscal year 2006 and each fiscal year thereafter.

(b) RULE OF CONSTRUCTION.—Amounts appropriated in accordance with subsection (a) shall be in addition to other amounts appropriated directly under this title and nothing in subsection (a) shall be construed to relieve the Secretary of mandatory payment obligations required under this title.

TITLE III—NATIONAL ADVISORY COMMISSION ON EXPANDED ACCESS TO HEALTH CARE

SEC. 301. NATIONAL ADVISORY COMMISSION ON EXPANDED ACCESS TO HEALTH CARE.

(a) ESTABLISHMENT.—Not later than October 1, 2003, the Secretary of Health and Human Services (referred to in this section as the ''Secretary''), shall establish an entity to be known as the National Advisory Commission on Expanded Access to Health Care (referred to in this section as the ''Commission'').

(b) APPOINTMENT OF MEMBERS.—

(1) IN GENERAL.—Not later than 45 days after the date of enactment of this Act, the House and Senate Majority and Minority Leaders shall each appoint 4 members of the Commission and the Secretary shall appoint 1 member.

(2) CRITERIA.—Members of the Commission shall include representatives of the following:

(A) Consumers of health insurance.

(B) Health care professionals.

(C) State officials.

(D) Economists.

(E) Health care providers.

(F) Experts on health insurance.

(G) Experts on expanding health care to individuals who are uninsured.

(3) CHAIRPERSON.—At the first meeting of the Commission, the Commission shall select a Chairperson from among its members.

(c) MEETINGS.—

(1) IN GENERAL.—After the initial meeting of the Commission which shall be called by the Secretary, the Commission shall meet at the call of the Chairperson.

(2) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

(3) SUPERMAJORITY VOTING REQUIREMENT.—To approve a report required under paragraph (2) or (3) of subsection (e), at least 60 percent of the membership of the Commission must vote in favor of such a report.

(d) DUTIES.—The Commission shall—

(1) assess the effectiveness of programs designed to expand health care coverage or make health care coverage affordable to the otherwise uninsured individuals through identifying the accomplishments and needed improvements of each program;

(2) make recommendations about benefits and cost-sharing to be included in health care coverage for various groups, taking into account—

(A) the special health care needs of children and individuals with disabilities;

(B) the different ability of various populations to pay out-of-pocket costs for services;

(C) incentives for efficiency and cost-control; and

(D) preventative care, disease management services, and other factors;

(3) recommend mechanisms to discourage individuals and employers from voluntarily opting out of health insurance coverage;

(4) recommend mechanisms to expand health care coverage to uninsured individuals with incomes above 200 percent of the official income poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved;

(5) recommend automatic enrollment and retention procedures and other measures to increase health care coverage among those eligible for assistance;

(6) review the roles, responsibilities, and relationship between Federal and State agencies with respect to health care coverage and recommend improvements; and

(7) analyze the size, effectiveness, and efficiency of current tax and other subsidies for health care coverage and recommend improvements.

(e) REPORTS.—

(1) ANNUAL REPORT.—The Commission shall submit annual reports to the President and Congress addressing the matters identified in subsection (d).

(2) BIENNIAL REPORT.—

(A) IN GENERAL.—The Commission shall submit biennial reports to the President and Congress, which shall contain—

(i) recommendations concerning essential benefits and maximum out-of-pocket cost-sharing (for the general population and for individuals with limited ability to pay, which shall not exceed the out-of-pocket cost-sharing permitted under section 2103(e) of the Social Security Act (42 U.S.C. 1397cc(e))) for the coverage options described in title II; and

(ii) proposed legislative language to implement such recommendations.

(B) CONGRESSIONAL ACTION.—The legislative language proposed under subparagraph (A)(ii) shall proceed to immediate consideration on the floor of the House of Representatives and the Senate and shall be approved or rejected, without amendment, using procedures employed for recommendations of military base closing commissions.

(3) COMMISSION REPORT.—No later than January 15, 2007, the Commission shall submit a report to the President and Congress, which shall include—

(A) recommendations on policies to provide health care coverage to uninsured individuals with incomes above 200 percent of the official income poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved;

(B) recommendations on changes to policies enacted under this Act; and

(C) proposed legislative language to implement such recommendations.

(f) ADMINISTRATION.—

(1) POWERS.—

(A) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out this section.

(B) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out this section. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission.

(C) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(D) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

(2) COMPENSATION.—While serving on the business of the Commission (including travel time), a member of the Commission shall be entitled to compensation at the per diem equivalent of the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code, and while so serving away from home and the member's regular place of business, a member may be allowed travel expenses, as authorized by the chairperson of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(3) STAFF.—

(A) IN GENERAL.—The Chairperson of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

(B) STAFF COMPENSATION.—The Chairperson of the Commission may fix the compensation of the executive director and other personnel without regard to chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(C) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(D) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(g) TERMINATION.—Except with respect to activities in connection with the ongoing biennial report required under subsection (e)(2), the Commission shall terminate 90 days after the date on which the Commission submits the report required under subsection (e)(3).

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated, such sums as may be necessary to carry out this section for fiscal year 2004 and each fiscal year thereafter.

SEC. 302. CONGRESSIONAL ACTION.

(a) BILL INTRODUCTION.—

(1) IN GENERAL.—Any legislative language included in the report required under section 301(e)(3) may be introduced as a bill by request in the following manner:

(A) HOUSE OF REPRESENTATIVES.—In the House of Representatives, by the Majority Leader and the Minority Leader not later than 10 days after receipt of the legislative language.

(B) SENATE.—In the Senate, by the Majority Leader and the Minority Leader not later than 10 days after receipt of the legislative language.

(2) ALTERNATIVE BY ADMINISTRATION.—The President may submit legislative language based on the recommendations of the Commission and such legislative language may be introduced in the manner described in paragraph (1).

(b) COMMITTEE CONSIDERATION.—

(1) IN GENERAL.—Any legislative language submitted pursuant to paragraph (1) or (2) of subsection (a) (in this section referred to as ''implementing legislation'') shall be referred to the appropriate committees of the House of Representatives and the Senate.

(2) REPORTING.—

(A) COMMITTEE ACTION.—If, not later than 150 days after the date on which the implementing legislation is referred to a committee under paragraph (1), the committee has reported the implementing legislation or has reported an original bill whose subject is related to reforming the health care system, or to providing access to affordable health care coverage for Americans, the regular rules of the applicable House of Congress shall apply to such legislation.

(B) DISCHARGE FROM COMMITTEES.—

(i) SENATE.—

(I) IN GENERAL.—If the implementing legislation or an original bill described in subparagraph (A) has not been reported by a committee of the Senate within 180 days after the date on which such legislation was referred to committee under paragraph (1), it shall be in order for any Senator to move to discharge the committee from further consideration of such implementing legislation.

(II) SEQUENTIAL REFERRALS.—Should a sequential referral of the implementing legislation be made, the additional committee has 30 days for consideration of implementing legislation before the discharge motion described in subclause (I) would be in order.

(III) PROCEDURE.—The motion described in subclause (I) shall not be in order after the implementing legislation has been placed on the calendar. While the motion described in subclause (I) is pending, no other motions related to the motion described in subclause (I) shall be in order. Debate on a motion to discharge shall be limited to not more than 10 hours, equally divided and controlled by the Majority Leader and the Minority Leader, or their designees. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed or disagreed to.

(IV) EXCEPTION.—If implementing language is submitted on a date later than May 1 of the second session of a Congress, the committee shall have 90 days to consider the implementing legislation before a motion to discharge under this clause would be in order.

(ii) HOUSE OF REPRESENTATIVES.—If the implementing legislation or an original bill described in subparagraph (A) has not been reported out of a committee of the House of Representatives within 180 days after the date on which such legislation was referred to committee under paragraph (1), then on any day on which the call of the calendar for motions to discharge committees is in order, any member of the House of Representatives may move that the committee be discharged from consideration of the implementing legislation, and this motion shall be considered under the same terms and conditions, and if adopted the House of Representatives shall follow the procedure described in subsection (c)(1).

(c) FLOOR CONSIDERATION.—

(1) MOTION TO PROCEED.—If a motion to discharge made pursuant to subsection (b)(2)(B)(i) or (b)(2)(B)(ii) is adopted, then, not earlier than 5 legislative days after the date on which the motion to discharge is

adopted, a motion may be made to proceed to the bill.

(2) FAILURE OF MOTION.—If the motion to discharge made pursuant to subsection (b)(2)(B)(i) or (b)(2)(B)(ii) fails, such motion may be made not more than 2 additional times, but in no case more frequently than within 30 days of the previous motion. Debate on each of such motions shall be limited to 5 hours, equally divided.

(3) APPLICABLE RULES.—Once the Senate is debating the implementing legislation the regular rules of the Senate shall apply.

TITLE IV—STATE WAIVERS

SEC. 401. STATE WAIVERS.

(a) IN GENERAL.—Notwithstanding any other provision of law, a State may apply to the Secretary of Health and Human Services for waivers of such provisions of law as may be necessary for the State to implement policies that make comprehensive, affordable health coverage available for all State residents, including access to essential benefits with limits on cost-sharing, as provided in the most recent report under section 301(e)(2).

(b) REQUIREMENTS.—In order to ensure that waivers under this section benefit rather than harm health care consumers, a State shall not be eligible for a waiver under this section unless—

(1) the State reasonably expects to achieve a level of enrollment in coverage described in subsection (a) that is at least equal to the level of coverage (taking into account the number of insured individuals, covered benefits, and premium and out-of-pocket costs to the consumer for such coverage) that the State would have achieved if the State had fully implemented the coverage options available under titles I and II of this Act;

(2) no individual who would have qualified for assistance under the State medicaid program under title XIX of the Social Security Act or the State children's health insurance program under title XXI of such Act, as of either the date of the waiver request or the date of enactment of this Act, will be denied eligibility for such program, have a reduction in benefits under such program, have reduced access to geographically and linguistically appropriate care or essential community providers, or be subject to increased premiums or cost-sharing under the waiver program under this section; and

(3) the State agrees to comply with such standards or guidelines as the Secretary of Health and Human Services may require to ensure that the requirements of paragraphs (1) and (2) are satisfied.

(c) FEDERAL PAYMENTS.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall pay a State with a waiver approved under this section an amount each quarter equal to the sum of—

(A) the Federal payments the State and residents of the State (including, but not limited to, through the credit allowed under section 36 of the Internal Revenue Code of 1986 for health insurance costs) would have received if the State had exercised the coverage options under titles I and II of this Act with respect to residents of the State who have not attained age 65; and

(B) the amount of any grants authorized by this Act that the State would have received if the State had applied for such grants.

(2) ADDITIONAL PAYMENT FOR MEDICARE BENEFICIARIES UNDER AGE 65.—

(A) IN GENERAL.—In the case of a State that elects to enroll an individual described in subparagraph (B) in coverage described in subsection (a), the amount described in paragraph (1) with respect to a quarter shall be increased by the amount described in subparagraph (C).

(B) INDIVIDUAL DESCRIBED.—An individual is described in this subparagraph if the individual—

(i) has not attained age 65;

(ii) is eligible for coverage under title XVIII of the Social Security Act; and

(iii) voluntarily elects to enroll in coverage described in subsection (a).

(C) AMOUNT DESCRIBED.—The amount described in this subparagraph is the amount equal to the amount that the Federal Government would have incurred with respect to a quarter for providing coverage to an individual described in subparagraph (B) under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

(d) IMPLEMENTATION DATE.—No State may submit a request for a waiver under this section before October 1, 2007.

By Mr. SARBANES (for himself, Mr. ALEXANDER, Mr. AKAKA, Mr. BAUCUS, Mr. CORZINE, Mr. DODD, Mr. GRAHAM of Florida, Mr. KENNEDY, Mr. LAUTENBERG, Mr. LEVIN, Mr. REID, Mr. SCHUMER, Ms. STABENOW, and Mr. WYDEN):

S. 1032. A bill to provide for alternative transportation in certain federally owned or managed areas that are open to the general public; to the Committee on Energy and Natural Resources.

Mr. SARBANES. Mr. President, I rise today to introduce legislation similar to measures I have introduced in previous Congresses that will help protect our Nation's natural resources and improve the visitor experience in our national parks and other public lands. The Transit in Parks Act, or ''TRIP,'' establishes a new Federal transit grant initiative to support the development of alternative transportation services for our national parks, wildlife refuges, Federal recreational areas, and other public lands. I am pleased to be joined by Senators AKAKA, ALEXANDER, BAUCUS, CORZINE, DODD, GRAHAM, KENNEDY, LAUTENBERG, LEVIN, REID, SCHUMER, STABENOW, and WYDEN, who are cosponsors of this legislation.

I want to underscore again today some of the principal arguments I have made in past years as to why this legislation is urgently needed. Memorial Day weekend, the opening of the summer travel season, is just weeks away. Millions of visitors will soon head to our national parks to enjoy the incredible natural heritage with which our Nation was endowed. But too many of them will spend hours looking for parking, or staring at the bumper of the car in front of them.

Clearly, the world has changed significantly since the national parks first opened in the second half of the nineteenth century, when visitors arrived by stagecoach along dirt roads. At that time, travel through parklands, such as Yosemite or Yellowstone, was long, difficult, and costly. Not many people could afford or endure such a trip. The introduction of the automobile gave every American greater mobility and freedom, which included the freedom to travel and see some of our Nation's great natural wonders. Early in this century, landscape architects from the National Park Service and highway engineers from the U.S. Bureau of Public Roads collaborated to produce many feats of road engineering that opened the national park lands to millions of Americans.

Yet greater mobility and easier access now threaten the very environments that the National Park Service is mandated to protect. The ongoing tension between preservation and access has always been a challenge for our national park system. Today, record numbers of visitors and cars have resulted in increasing damage to our parks. The Grand Canyon alone has almost five million visitors a year. As many as 6,000 vehicles arrive in a single summer day. They compete for 2,400 parking spaces. Between 32,000 and 35,000 tour buses go to the park each year. During the peak summer season, the entrance route becomes a giant parking lot.

In 1975, the total number of visitors to America's national parks was 190 million. By 2002, that number had risen to 277 million annual visitors—almost equal to one visit by every man, woman, and child in this country. This dramatic increase in visitation has created an overwhelming demand on these areas, resulting in severe traffic congestion, visitor restrictions, and in some instances vacationers being shut out of the parks altogether. The environmental damage at the Grand Canyon is visible at many other parks: Yosemite, which has more than four million visitors a year; Yellowstone, which has more than three million visitors a year and experiences such severe traffic congestion that access has to be restricted; Zion; Acadia; Bryce; and many others. We need to solve these problems now or risk permanent harm to our nation's natural, cultural, and historical heritage.

Visitor access to the parks is vital not only to the parks themselves, but to the economic health of their gateway communities. For example, visitors to Yosemite infuse $3 billion a year into the local economy of the surrounding area. At Yellowstone, tourists spend $725 million annually in adjacent communities. Wildlife-related tourism generates an estimated $60 billion a year nationwide. If the parks are forced to close their gates to visitors due to congestion, the economic vitality of the surrounding region would be jeopardized.

The challenge for park management has always been twofold: to conserve and protect the nation's natural, historical, and cultural resources, while at the same time ensuring visitor access and enjoyment of these sensitive environments. Until now, the principal transportation systems that the Federal Government has developed to provide access into our national parks are roads, primarily for private automobile access. The TRIP legislation recognizes that we need to do more than simply

build roads; we must invest in alternative transportation solutions before our national parks are damaged beyond repair.

In developing solutions to the parks' transportation needs, this legislation builds upon the 1997 Memorandum of Understanding between Secretary of Transportation Rodney Slater and Secretary of the Interior Bruce Babbitt, in which the two Departments agreed to work together to address transportation and resource management needs in and around national parks. The findings in the MOU are especially revealing: Congestion in and approaching many National Parks is causing lengthy traffic delays and backups that substantially detract from the visitor experience. Visitors find that many of the National Parks contain significant noise and air pollution, and traffic congestion similar to that found on the city streets they left behind.

In many National Park units, the capacity of parking facilities at interpretive or scenic areas is well below demand. As a result, visitors park along roadsides, damaging park resources and subjecting people to hazardous safety conditions as they walk near busy roads to access visitor use areas.

On occasion, National Park units must close their gates during high visitation periods and turn away the public because the existing infrastructure and transportation systems are at, or beyond, the capacity for which they were designed.

In addition, the TRIP legislation is designed to implement the recommendations from a comprehensive study of alternative transportation needs in public lands that I was able to include in the Transportation Equity Act for the 21st Century, TEA–21, as section 3039. The Federal Lands Alternative Transportation Systems Study confirmed what those of us who have visited our national parks already know: there is a significant and well-documented need for alternative transportation solutions in the national parks to prevent lasting damage to these incomparable natural treasures.

The study examined over two hundred sites, and identified needs for alternative transportation services at two-thirds of those sites. The study found that implementation of such services can help achieve a number of desirable outcomes: ''Relieve traffic congestion and parking shortages; enhance visitor mobility and accessibility; preserve sensitive natural, cultural, and historic resources; provide improved interpretation, education and visitor information services; reduce pollution; and improve economic development opportunities for gateway communities.''

In fact, the study concluded that ''the provision of transit in federally-managed lands can have national economic implications as well as significant economic benefits for local areas surrounding the sites.'' The study determined that funding transit needs would support thousands of jobs around the country, while also providing a direct benefit to the economy of gateway communities by ''expand[ing] the number of visits to the site and expand[ing] the amount of visitor spending in the surrounding communities.''

The study identified ''lack of a dedicated funding source for developing, implementing, and operating and maintaining transit systems'' as a key barrier to implementation of alternative transportation in and around federally-managed lands. The Transit in Parks Act will go far toward helping parks and their gateway communities overcome this barrier. This new Federal transit grant program will provide funding to the Federal land management agencies that manage the 388 various sites within the National Park System, the National Wildlife Refuges, Federal recreational areas, and other public lands, including National Forest System lands, and to their State and local partners.

The bill's objectives are to develop new and expanded transit services throughout the national parks and other public lands to conserve and protect fragile natural, cultural, and historical resources and wildlife habitats, to prevent or mitigate adverse impact on those resources and habitats, and to reduce pollution and congestion, while at the same time facilitating appropriate visitor access and improving the visitor experience. The program will provide capital funds for transit projects, including rail or clean fuel bus projects, joint development activities, pedestrian and bike paths, or park waterway access, within or adjacent to national parks and other public lands. The Secretary of Transportation may make funds available for operations as well. The bill authorizes $90 million for this new program for each of the fiscal years 2004 through 2009, consistent with the level of need identified in the study. It is anticipated that other resources—both public and private—will be available to augment these amounts.

The bill formalizes the cooperative arrangement in the 1997 MOU between the Secretary of Transportation and the Secretary of the Interior to exchange technical assistance and to develop procedures relating to the planning, selection and funding of transit projects in national park lands. The bill further provides funds for planning, research, and technical assistance that can supplement other financial resources available to the Federal land management agencies. The projects eligible for funding would be developed through the transportation planning process and prioritized for funding by the Secretary of the Interior in consultation and cooperation with the Secretary of Transportation. It is anticipated that the Secretary of the Interior would select projects that are diverse in location and size. While major national parks such as the Grand Canyon or Yellowstone are clearly appropriate candidates for significant transit projects under this section, there are numerous small urban and rural Federal park lands that can benefit enormously from small projects, such as bike paths or improved connections with an urban or regional public transit system. No single project will receive more than 12 percent of the total amount available in any given year. This ensures a diversity of projects selected for assistance.

In addition, I firmly believe that this program will create new opportunities for the Federal land management agencies to partner with local transit agencies in gateway communities adjacent to the parks, both through the TEA–21 planning process and in developing integrated transportation systems. This will spur new economic development within these communities, as they develop transportation centers for park visitors to connect to transit links into the national parks and other public lands.

The ongoing tension between preservation and access has always been a challenge for the National Park Service. Today, that challenge has new dimensions, with overcrowding, pollution, congestion, and resource degradation increasing at many of our national parks. This legislation—the Transit in Parks Act—will give our Federal land management agencies important new tools to improve both preservation and access. Just as we have found in metropolitan areas, transit is essential to moving large numbers of people in our national parks—quickly, efficiently, at low cost, and without adverse impact. At the same time, transit can enhance the economic development potential of our gateway communities.

As we begin a new millennium, I cannot think of a more worthy endeavor to help our environment and preserve our national parks, wildlife refuges, and Federal recreational areas than by encouraging alternative transportation in these areas. My bill is strongly supported by the National Parks Conservation Association, Environmental Defense, the American Public Transportation Association, Community Transportation Association, Amalgamated Transit Union, Surface Transportation Policy Project, Natural Resources Defense Council, Friends of the Earth, Rails-to-Trails Conservancy, America Bikes and others, and I ask unanimous consent that the bill, a section-by-section analysis, and letters of support be printed in the RECORD, along with the USA Today article, ''Save Parks: Park Cars.''

I believe that we have a clear choice before us: we can turn paradise into a parking lot—or we can invest in alternatives. I urge my colleagues to support the Transit in Parks Act to ensure that our Nation's natural treasures will be preserved for many generations to come.

By Mr. BINGAMAN (for himself, Mr. LUGAR, Mrs. LINCOLN, Mr.

CORZINE, Ms. LANDRIEU, Mr. BREAUX, Mr. KERRY, Ms. CANTWELL, Mrs. MURRAY, Mrs. CLINTON, and Mr. MILLER):

S. 1033. A bill to amend titles XIX and XXI of the Social Security Act to expand or add coverage of pregnant women under the medicaid and State children's health insurance program, and for other purposes; to the Committee on Finance.

Mr. BINGAMAN. Mr. President, I rise today to introduce bipartisan legislation with Senators LUGAR, LINCOLN, CORZINE, LANDRIEU, BREAUX, KERRY, MURRAY, CANTWELL, CLINTON, and MILLER. This legislation, entitled the ''Start Healthy, Stay Healthy Act of 2003,'' would significantly reduce the number of uninsured pregnant women and newborns by expanding coverage to pregnant women through Medicaid and the Children's Health Insurance Program, or CHIP, and to newborns through the first full year of life.

Sunday is Mothers' Day. Every year, we honor our Nation's mothers and we should take the time to assess how we can do better by them, including their health and well-being.

According to a recent report by Save the Children entitled ''The State of the World's Mothers,'' the United States fares no better than 11th in the world. Why is this? According to the report, ''The United States earned its 11th place rank this year based on several factors: One of the key indicators used to calculate the well-being for mothers is lifetime risk of maternal mortality . . . Canada, Australia, and all the Western and Northern European countries in the study performed better than the United States in this indicator.''

The study adds, ''Similarly, the United States did not do as well as the top 10 countries with regard to infant mortality rates.''

In fact, the United States ranks 21st in maternal mortality and 28th in infant mortality, the worst among developed nations. We should and must do better by our Nation's mothers and infants.

Throughout our Nation's history, there has been long-standing policy linking programs for pregnant women and infants, including Medicaid, WIC, and the Maternal and Child Health Block Grant. CHIP, unfortunately, fails to provide coverage to pregnant women beyond the age of 18. As a result, it is more likely that newborns eligible for CHIP are not covered from the moment of birth, and therefore, often miss having comprehensive prenatal care and those first critical months of life until their CHIP application is processed.

By expanding coverage to pregnant women through CHIP, the ''Start Healthy, Stay Healthy Act'' recognizes the importance of prenatal care to the health and development of a child. As Dr. Alan Waxman of the University of New Mexico School of Medicine has written, ''Prenatal care is an important factor in the prevention of birth defects and the prevention of prematurity, the most common causes of infant death and disability. Babies born to women with no prenatal care or late prenatal care are nearly twice as likely to [be] low birthweight or very low birthweight as infants born to women who received early prenatal care.''

Unfortunately, according to the Centers for Disease Control and Prevention, New Mexico ranked worst in the Nation in the percentage of mothers receiving late or no prenatal care last year. The result is often quite costly—both in terms of the health of the mother and newborn but also in terms of the long-term expenses since the result can be chronic, lifelong health problems.

In fact, according to the Agency for Healthcare Research and Quality, ''four of the top 10 most expensive conditions in the hospital are related to care of infants with complications (respiratory distress, prematurity, heart defects, and lack of oxygen).'' As a result, in addition to reduced infant mortality and morbidity, the provision to expand coverage to pregnant women can be cost effective.

The ''Start Healthy, Stay Healthy Act'' also eliminates the unintended federal policy through CHIP that covers pregnant women only through the age of 18 and cuts off that coverage once the women turn 19 years of age. Certainly, everybody can agree that the government should not be telling women that they are more likely to receive prenatal care coverage only if they become pregnant as a teenager.

This bipartisan legislation has previously received or has added endorsements from the following organizations: the March of Dimes, The American Academy of Pediatrics, the American College of Obstetricians and Gynecologists, the What to Expect Foundation, the American Academy of Family Physicians, the American Academy of Pediatric Dentistry, the American Academy of Child and Adolescent Psychiatry, the National Association of Community Health Centers, the American Hospital Association, the National Association of Children's Hospitals, the Federation of American Health Systems, the National Association of Public Hospitals and Health Systems, Premier, Catholic Health Association, Catholic Charities USA, Family Voices, the Association of Maternal and Child Health Programs, the National Health Law Program, the National Association of Social Workers, Every Child By Two, the United Cerebral Palsy Associations, the Society for Maternal-Fetal Medicine, and Families USA.

This legislation is a reintroduction of a bill that was introduced in 2001. Throughout that year, the Administration made numerous statements in support of the passage of this type of legislation, but unfortunately, reversed course in October 2002 after publishing a regulation allowing states to redefine a ''child'' as an ''unborn child'' and to provide prenatal care through CHIP in that manner. In a letter to Senator NICKLES dated October 8, 2002, Secretary Thompson argued, ''I believe the regulation is a more effective and comprehensive solution to this issue.''

While a number of senators strongly disagreed with Secretary Thompson's assertion and sent him letters to that effect on October 10, 2002, and on October 23, 2002, we felt it was important to get the testimony of our Nation's medical experts on the health and well-being of both pregnant women and newborns. We called for a hearing in the Senate Health, Education, Labor and Pensions Committee on October 24, 2002. Witnesses included representatives from the March of Dimes, the American College of Obstetricians and Gynecologists, the American Academy of Pediatrics, and the What to Expect Foundation. They were asked to compare the regulation to the legislation and I will let their testimony speak for itself.

Dr. Nancy Green testified on behalf of the March of Dimes Birth Defects Foundation. She said:

> We support giving states the flexibility they need to cover income-eligible pregnant women age 19 and older, and to automatically enroll infants born to SCHIP-eligible mothers. By establishing a uniform eligibility threshold for coverage for pregnant women and infants, states will be able to improve maternal health, eliminate waiting periods for infants and streamline administration of publicly supported health programs. Currently, according to the Department of Health and Human Services' Centers for Medicare and Medicaid Services and the National Governors' Association, 36 states and the District of Columbia have income eligibility thresholds that are more restrictive for women than for their newborns. Encouraging states to eliminate this disparity by allowing them to establish a uniform eligibility threshold for pregnant women and their infants should be a national policy priority.

Dr. Green adds:

> Specifically, we are deeply concerned that final regulation fails to provide to the mother the standard scope of maternity care services recommended by the American College of Obstetricians and Gynecologists (ACOG) and the American Academy of Pediatrics (AAP). Of particular concern, the regulation explicitly states that postpartum care is not covered and, therefore, federal reimbursement will not be available for these services. In addition, because of the contentious collateral issues raised by this regulation groups like the March of Dimes will find it even more difficult to work in the states to generate support for legislation to extend coverage to uninsured pregnant women.

Dr. Laura Riley testified on behalf of ACOG. In her testimony, she stated:

> ACOG is very concerned that mothers will not have access to postpartum services under the regulation. The rule clearly states that ''. . . care after delivery, such as postpartum services could not be covered as part of the Title XXI State Plan . . . because they are not services for an eligible child.''

On the importance of postpartum care, Dr. Riley adds:

When new mothers develop postpartum complications, quick access to their physicians is absolutely critical. Postpartum care is especially important for women who have preexisting medical conditions, and for those whose medical conditions were induced by their pregnancies, such as gestational diabetes or hypertension, and for whom it is necessary to ensure that their conditions are stabilized and treated.

As a result, Dr. Riley concludes:

Limiting coverage to the fetus instead of the mother omits a critical component of postpartum care that physicians regard as essential for the health of the mother and the child. Covering the fetus as opposed to the mother also raises questions of whether certain services will be available during pregnancy and labor if the condition is one that more directly affects the woman. The best way to address this coverage issue is to pass S. 724, supported by Senators Bond, Bingaman and Lincoln and many others, and which provides a full range of medical services during and after pregnancy directly to the pregnant woman.

Dr. Richard Bucciarelli testified on behalf of the American Academy of Pediatrics. He said:

Recently, the Administration published a final rule expanding SCHIP cover unborn children. The Academy is concerned that, as written, this regulation falls dangerously short of the clinical standards of care outlined in our guidelines, which describe the importance of covering all stages of a birth—pregnancy, delivery, and postpartum care.

It is important to note that the regulation subtracts the time that an ''unborn child'' is covered from the period of continuously eligibility after birth. Consequently, children would be denied insurance coverage at very critical points during the first full year of life. As such, Dr. Bucciarelli expressed support for the legislation over the regulation because it, in his words:

. . . takes an important step to decrease the number of uninsured children by providing 12 months of continuous eligibility for those children born. . . . This legislation ensures that children born to women enrolled in Medicaid or SCHIP are immediately enrolled in the program for which they are eligible. Additionally, this provision prevents newborns eligible for SCHIP from being subject to enrollment waiting periods, ensuring that infants receive appropriate health care in their first year of life.

And finally, Lisa Bernstein testified as Executive Director of The What to Expect Foundation, which takes its name from the bestselling What to Expect pregnancy and parenting series that has helped over 20 million families from pregnancy through their child's toddler years. Ms. Bernstein also supported the legislation as a far superior option over the regulation and make this simple but eloquent point:

. . . only a healthy parent can provide a healthy future for a healthy child.

The testimony of these experts speak for themselves and I urge my colleagues to pass this legislation as soon as possible.

I ask unanimous consent that the text of the bill and a series of letters be printed in the RECORD.

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

S. 1033

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Start Healthy, Stay Healthy Act of 2003''.

SEC. 2. STATE OPTION TO EXPAND OR ADD COVERAGE OF CERTAIN PREGNANT WOMEN UNDER MEDICAID AND SCHIP.

(a) MEDICAID.—

(1) AUTHORITY TO EXPAND COVERAGE.—Section 1902(l)(2)(A)(i) of the Social Security Act (42 U.S.C. 1396a(l)(2)(A)(i)) is amended by inserting ''(or such higher percent as the State may elect for purposes of expenditures for medical assistance for pregnant women described in section 1905(u)(4)(A))'' after ''185 percent''.

(2) ENHANCED MATCHING FUNDS AVAILABLE IF CERTAIN CONDITIONS MET.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended—

(A) in the fourth sentence of subsection (b), by striking ''or subsection (u)(3)'' and inserting '', (u)(3), or (u)(4)''; and

(B) in subsection (u)—

(i) by redesignating paragraph (4) as paragraph (5); and

(ii) by inserting after paragraph (3) the following:

''(4) For purposes of the fourth sentence of subsection (b) and section 2105(a), the expenditures described in this paragraph are the following:

''(A) CERTAIN PREGNANT WOMEN.—If the conditions described in subparagraph (B) are met, expenditures for medical assistance for pregnant women described in subsection (n) or under section 1902(l)(1)(A) in a family the income of which exceeds the effective income level (expressed as a percent of the poverty line and considering applicable income disregards) that has been specified under subsection (a)(10)(A)(i)(III) or (l)(2)(A) of section 1902, as of January 1, 2003, but does not exceed the income eligibility level established under title XXI for a targeted low-income child.

''(B) CONDITIONS.—The conditions described in this subparagraph are the following:

''(i) The State plans under this title and title XXI do not provide coverage for pregnant women described in subparagraph (A) with higher family income without covering such pregnant women with a lower family income.

''(ii) The State does not apply an effective income level for pregnant women that is lower than the effective income level (expressed as a percent of the poverty line and considering applicable income disregards) that has been specified under the State plan under subsection (a)(10)(A)(i)(III) or (l)(2)(A) of section 1902, as of January 1, 2003, to be eligible for medical assistance as a pregnant woman.

''(C) DEFINITION OF POVERTY LINE.—In this subsection, the term 'poverty line' has the meaning given such term in section 2110(c)(5).''.

(3) PAYMENT FROM TITLE XXI ALLOTMENT FOR MEDICAID EXPANSION COSTS; ELIMINATION OF COUNTING MEDICAID CHILD PRESUMPTIVE ELIGIBILITY COSTS AGAINST TITLE XXI ALLOTMENT.—Section 2105(a)(1) of the Social Security Act (42 U.S.C. 1397ee(a)(1)) is amended—

(A) in the matter preceding subparagraph (A), by striking ''(or, in the case of expenditures described in subparagraph (B), the Federal medical assistance percentage (as defined in the first sentence of section 1905(b)))''; and

(B) by striking subparagraph (B) and inserting the following:

''(B) for the provision of medical assistance that is attributable to expenditures described in section 1905(u)(4)(A);''.

(4) ADDITIONAL AMENDMENTS TO MEDICAID.—

(A) ELIGIBILITY OF A NEWBORN.—Section 1902(e)(4) of the Social Security Act (42 U.S.C. 1396a(e)(4)) is amended in the first sentence by striking ''so long as the child is a member of the woman's household and the woman remains (or would remain if pregnant) eligible for such assistance''.

(B) APPLICATION OF QUALIFIED ENTITIES TO PRESUMPTIVE ELIGIBILITY FOR PREGNANT WOMEN UNDER MEDICAID.—Section 1920(b) of the Social Security Act (42 U.S.C. 1396r–1(b)) is amended by adding at the end after and below paragraph (2) the following flush sentence:

''The term 'qualified provider' includes a qualified entity as defined in section 1920A(b)(3).''.

(b) SCHIP.—

(1) COVERAGE.—Title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.) is amended by adding at the end the following:

''SEC. 2111. OPTIONAL COVERAGE OF TARGETED LOW-INCOME PREGNANT WOMEN.

''(a) OPTIONAL COVERAGE.—Notwithstanding any other provision of this title, a State may provide for coverage, through an amendment to its State child health plan under section 2102, of pregnancy-related assistance for targeted low-income pregnant women in accordance with this section, but only if the State meets the conditions described in section 1905(u)(4)(B).

''(b) DEFINITIONS.—For purposes of this title:

''(1) PREGNANCY-RELATED ASSISTANCE.—The term 'pregnancy-related assistance' has the meaning given the term child health assistance in section 2110(a) as if any reference to targeted low-income children were a reference to targeted low-income pregnant women, except that the assistance shall be limited to services related to pregnancy (which include prenatal, delivery, and postpartum services and services described in section 1905(a)(4)(C)) and to other conditions that may complicate pregnancy.

''(2) TARGETED LOW-INCOME PREGNANT WOMAN.—The term 'targeted low-income pregnant woman' means a woman—

''(A) during pregnancy and through the end of the month in which the 60-day period (beginning on the last day of her pregnancy) ends;

''(B) whose family income exceeds the effective income level (expressed as a percent of the poverty line and considering applicable income disregards) that has been specified under subsection (a)(10)(A)(i)(III) or (l)(2)(A) of section 1902, as of January 1, 2003, to be eligible for medical assistance as a pregnant woman under title XIX but does not exceed the income eligibility level established under the State child health plan under this title for a targeted low-income child; and

''(C) who satisfies the requirements of paragraphs (1)(A), (1)(C), (2), and (3) of section 2110(b).

''(c) REFERENCES TO TERMS AND SPECIAL RULES.—In the case of, and with respect to, a State providing for coverage of pregnancy-related assistance to targeted low-income pregnant women under subsection (a), the following special rules apply:

''(1) Any reference in this title (other than in subsection (b)) to a targeted low-income child is deemed to include a reference to a targeted low-income pregnant woman.

''(2) Any such reference to child health assistance with respect to such women is deemed a reference to pregnancy-related assistance.

''(3) Any such reference to a child is deemed a reference to a woman during pregnancy and the period described in subsection (b)(2)(A).

''(4) In applying section 2102(b)(3)(B), any reference to children found through screening to be eligible for medical assistance under the State medicaid plan under title XIX is deemed a reference to pregnant women.

''(5) There shall be no exclusion of benefits for services described in subsection (b)(1) based on any preexisting condition and no waiting period (including any waiting period imposed to carry out section 2102(b)(3)(C)) shall apply.

''(6) Subsection (a) of section 2103 (relating to required scope of health insurance coverage) shall not apply insofar as a State limits coverage to services described in subsection (b)(1) and the reference to such section in section 2105(a)(1)(C) is deemed not to require, in such case, compliance with the requirements of section 2103(a).

''(7) In applying section 2103(e)(3)(B) in the case of a pregnant woman provided coverage under this section, the limitation on total annual aggregate cost-sharing shall be applied to the entire family of such pregnant woman.

''(d) AUTOMATIC ENROLLMENT FOR CHILDREN BORN TO WOMEN RECEIVING PREGNANCY-RELATED ASSISTANCE.—If a child is born to a targeted low-income pregnant woman who was receiving pregnancy-related assistance under this section on the date of the child's birth, the child shall be deemed to have applied for child health assistance under the State child health plan and to have been found eligible for such assistance under such plan or to have applied for medical assistance under title XIX and to have been found eligible for such assistance under such title, as appropriate, on the date of such birth and to remain eligible for such assistance until the child attains 1 year of age. During the period in which a child is deemed under the preceding sentence to be eligible for child health or medical assistance, the child health or medical assistance eligibility identification number of the mother shall also serve as the identification number of the child, and all claims shall be submitted and paid under such number (unless the State issues a separate identification number for the child before such period expires).''.

(2) ADDITIONAL ALLOTMENTS FOR PROVIDING COVERAGE OF PREGNANT WOMEN.—

(A) IN GENERAL.—Section 2104 of the Social Security Act (42 U.S.C. 1397dd) is amended by inserting after subsection (c) the following:

''(d) ADDITIONAL ALLOTMENTS FOR PROVIDING COVERAGE OF PREGNANT WOMEN.—

''(1) APPROPRIATION; TOTAL ALLOTMENT.—For the purpose of providing additional allotments to States under this title, there is appropriated, out of any money in the Treasury not otherwise appropriated, for each of fiscal years 2004 through 2007, $200,000,000.

''(2) STATE AND TERRITORIAL ALLOTMENTS.—In addition to the allotments provided under subsections (b) and (c), subject to paragraphs (3) and (4), of the amount available for the additional allotments under paragraph (1) for a fiscal year, the Secretary shall allot to each State with a State child health plan approved under this title—

''(A) in the case of such a State other than a commonwealth or territory described in subparagraph (B), the same proportion as the proportion of the State's allotment under subsection (b) (determined without regard to subsection (f)) to the total amount of the allotments under subsection (b) for such States eligible for an allotment under this paragraph for such fiscal year; and

''(B) in the case of a commonwealth or territory described in subsection (c)(3), the same proportion as the proportion of the commonwealth's or territory's allotment under subsection (c) (determined without regard to subsection (f)) to the total amount of the allotments under subsection (c) for commonwealths and territories eligible for an allotment under this paragraph for such fiscal year.

''(3) USE OF ADDITIONAL ALLOTMENT.—Additional allotments provided under this subsection are not available for amounts expended before October 1, 2003. Such amounts are available for amounts expended on or after such date for child health assistance for targeted low-income children, as well as for pregnancy-related assistance for targeted low-income pregnant women.

''(4) NO PAYMENTS UNLESS ELECTION TO EXPAND COVERAGE OF PREGNANT WOMEN.—No payments may be made to a State under this title from an allotment provided under this subsection unless the State provides pregnancy-related assistance for targeted low-income pregnant women under this title, or provides medical assistance for pregnant women under title XIX, whose family income exceeds the effective income level applicable under subsection (a)(10)(A)(i)(III) or (l)(2)(A) of section 1902 to a family of the size involved as of January 1, 2003.''.

(B) CONFORMING AMENDMENTS.—Section 2104 of the Social Security Act (42 U.S.C. 1397dd) is amended—

(i) in subsection (a), in the matter preceding paragraph (1), by inserting ''subject to subsection (d),'' after ''under this section,'';

(ii) in subsection (b)(1), by inserting ''and subsection (d)'' after ''Subject to paragraph (4)''; and

(iii) in subsection (c)(1), by inserting ''subject to subsection (d),'' after ''for a fiscal year,''.

(3) PRESUMPTIVE ELIGIBILITY UNDER TITLE XXI.—

(A) APPLICATION TO PREGNANT WOMEN.—Section 2107(e)(1)(D) of the Social Security Act (42 U.S.C. 1397gg(e)(1)) is amended to read as follows:

''(D) Sections 1920 and 1920A (relating to presumptive eligibility).''.

(B) EXCEPTION FROM LIMITATION ON ADMINISTRATIVE EXPENSES.—Section 2105(c)(2) of the Social Security Act (42 U.S.C. 1397ee(c)(2)) is amended by adding at the end the following new subparagraph:

''(C) EXCEPTION FOR PRESUMPTIVE ELIGIBILITY EXPENDITURES.—The limitation under subparagraph (A) on expenditures shall not apply to expenditures attributable to the application of section 1920 or 1920A (pursuant to section 2107(e)(1)(D)), regardless of whether the child or pregnant woman is determined to be ineligible for the program under this title or title XIX.''.

(4) ADDITIONAL AMENDMENTS TO TITLE XXI.—

(A) NO COST-SHARING FOR PREGNANCY-RELATED SERVICES.—Section 2103(e)(2) of the Social Security Act (42 U.S.C. 1397cc(e)(2)) is amended—

(i) in the heading, by inserting ''OR PREGNANCY-RELATED SERVICES'' after ''PREVENTIVE SERVICES''; and

(ii) by inserting before the period at the end the following: ''or for pregnancy-related services''.

(B) NO WAITING PERIOD.—Section 2102(b)(1)(B) of the Social Security Act (42 U.S.C. 1397bb(b)(1)(B)) is amended—

(i) by striking '', and'' at the end of clause (i) and inserting a semicolon;

(ii) by striking the period at the end of clause (ii) and inserting ''; and''; and

(iii) by adding at the end the following:

''(iii) may not apply a waiting period (including a waiting period to carry out paragraph (3)(C)) in the case of a targeted low-income pregnant woman.''.

(c) EFFECTIVE DATE.—The amendments made by this section apply to items and services furnished on or after October 1, 2003, without regard to whether regulations implementing such amendments have been promulgated.

SEC. 3. COORDINATION WITH THE MATERNAL AND CHILD HEALTH PROGRAM.

(a) IN GENERAL.—Section 2102(b)(3) of the Social Security Act (42 U.S.C. 1397bb(b)(3)) is amended—

(1) in subparagraph (D), by striking ''and'' at the end;

(2) in subparagraph (E), by striking the period and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(F) that operations and activities under this title are developed and implemented in consultation and coordination with the program operated by the State under title V in areas including outreach and enrollment, benefits and services, service delivery standards, public health and social service agency relationships, and quality assurance and data reporting.''.

(b) CONFORMING MEDICAID AMENDMENT.—Section 1902(a)(11) of such Act (42 U.S.C. 1396a(a)(11)) is amended—

(1) by striking ''and'' before ''(C)''; and

(2) by inserting before the semicolon at the end the following: '', and (D) provide that operations and activities under this title are developed and implemented in consultation and coordination with the program operated by the State under title V in areas including outreach and enrollment, benefits and services, service delivery standards, public health and social service agency relationships, and quality assurance and data reporting''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on January 1, 2004.

SEC. 4. INCREASE IN SCHIP INCOME ELIGIBILITY.

(a) DEFINITION OF LOW-INCOME CHILD.—Section 2110(c)(4) of the Social Security Act (42 U.S.C. 42 U.S.C. 1397jj(c)(4)) is amended by striking ''200'' and inserting ''250''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to child health assistance provided, and allotments determined under section 2104 of the Social Security Act (42 U.S.C. 1397dd), for fiscal years beginning with fiscal year 2004.

SEC. 5. REVIEW OF STATE AGENCY BLINDNESS AND DISABILITY DETERMINATIONS.

Section 1633 of the Social Security Act (42 U.S.C. 1383b) is amended by adding at the end the following:

''(e)(1) The Commissioner of Social Security shall review determinations, made by State agencies pursuant to subsection (a) in connection with applications for benefits under this title on the basis of blindness or disability, that individuals who have attained 18 years of age are blind or disabled as of a specified onset date. The Commissioner of Social Security shall review such a determination before any action is taken to implement the determination.

''(2)(A) In carrying out paragraph (1), the Commissioner of Social Security shall review—

''(i) at least 25 percent of all determinations referred to in paragraph (1) that are made in fiscal year 2004; and

''(ii) at least 50 percent of all such determinations that are made in fiscal year 2005 or thereafter.

''(B) In carrying out subparagraph (A), the Commissioner of Social Security shall, to the extent feasible, select for review the determinations which the Commissioner of Social Security identifies as being the most likely to be incorrect.''.

THE SECRETARY OF HEALTH
AND HUMAN SERVICES,
Washington, DC, April 12, 2002.

Hon. JEFF BINGAMAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR BINGAMAN: Thank you for sharing your views on our new proposal to expand health care coverage for low-income pregnant women under the State Children's Health Insurance Program (SCHIP). I believe it is not only appropriate, but indeed, medically necessary that our approach to child health care include the prenatal stage.

Prenatal care for women and their babies is a crucial part of medical care. These services can be a vital, life-long determinant of health, and we should do everything we can to make this care available for all pregnant women. It is one of the most important investments we can make for the long-term good health of our nation.

Our regulation would enable states to make use of funding already available under SCHIP to provide prenatal care for more low-income pregnant women and their babies. The proposed regulation, published in the FEDERAL REGISTER March 5, would clarify the definition of ''child'' under the SCHIP program. At present, SCHIP allows states to provide health care coverage to targeted low-income children under age 19. States may further limit their coverage to age groups within that range. The new regulation would clarify that states may include coverage for children from conception to age 19, enabling SCHIP coverage to include prenatal and delivery care to ensure the birth of healthy infants.

Although Medicaid currently provides coverage for prenatal care for some women with low incomes, implementing this new regulation will allow states to offer such coverage to additional women. States would not be required to go through the section 1115 waiver process to expand coverage for prenatal care.

By explicitly recognizing in our SCHIP regulations the health needs of children before birth, we can help states provide vital prenatal health care. I believe our approach is entirely appropriate to serve these health purposes. It has been an option for states in their Medicaid programs in the past and it should be made an option for states in their SCHIP program now. As I testified recently at a hearing held by the Health Subcommittee of the House Energy and Commerce Committee, I also support legislation to expand SCHIP to cover pregnant women. However, because legislation has not moved and because of the importance of prenatal care, I felt it was important to take this action.

I know we share the same commitment to achieving the goal of expanding health insurance coverage in order to reduce the number of uninsured.

A similar letter is being sent to the cosigners of your letter. Please feel free to call me if you have any questions or concerns.

Sincerely,

TOMMY G. THOMPSON.

THE SECRETARY OF HEALTH
AND HUMAN SERVICES,
Washington, DC, October 8, 2002.

Hon. DON NICKLES,
Assistant Republican Leader,
Washington, DC.

DEAR SENATOR NICKLES: Thank you for contacting me about the Department of Health and Human Services' final regulation to expand pre-natal and pregnancy related services to unborn children under the State Children's Health Insurance Program (SCHIP).

The final rule allows states the option to extend such services under SCHIP to low-income pregnant women and their unborn children immediately. The rule also enables states to cover a broader population of low-income women and children because it extends coverage to unborn children regardless of their mothers' immigrant status.

In your letter, you ask if ''this regulation has obviated the need for additional legislation, and has addressed this issue in a more timely and effective manner.'' As I have stated many times this year, my overarching goal has been to extend prenatal and pregnancy related services to low-income women and their children as quickly as possible so that those mothers are cared for during their pregnancy and their children are born healthy and strong. The law provided me the flexibility to do that and I believe the rule that was published this week achieves this universally desired goal. The proposed legislation, which has been pending in Congress for some time, would amend the SCHIP law so as to duplicate what we have already established as administration policy. I believe the regulation is a more effective and comprehensive solution to this issue. Therefore, there is no need for the Senate to pursue this legislation now.

Thank you for inquiring on this important policy matter.

Sincerely,

TOMMY G. THOMPSON.

U.S. SENATE,
Washington, DC, October 10, 2002.

Hon. TOMMY THOMPSON,
Secretary, Department of Health and Human Services, Washington, DC.

DEAR SECRETARY THOMPSON: Over the course of the past year, you have issued press releases, written letters, and responded to direct questions in both Senate and House hearings in support of passing legislation to provide health care coverage to pregnant women through the State Children's Health Insurance Program (SCHIP). You have repeatedly stated that you were proceeding with the regulation to expand SCHIP to ''unborn children'' only because legislation to expand coverage to pregnant women had not passed.

Your own regulation explicitly makes that very point and acknowledges that ''gaps remain'' and that a number of important health services for pregnant women, including postpartum care, are not provided for in the regulation. And yet, we now read in a letter from you to Senator Nickles dated October 8, 2002, that the ''gaps'' have somehow disappeared. As you write, ''The proposed legislation, which has been pending in Congress for some time, would amend the SCHIP law so as to duplicate what we have already established as administration policy. I believe the regulation is a more effective and comprehensive solution to this issue. Therefore, there is no need for the Senate to pursue this legislation now.''

Yet, your own regulation contradicts that statement and notes that ''there are still gaps'' and repeatedly points out those coverage gaps for pregnant women and children. With respect to care for women, under the regulation, it is explicitly stated that ''there must be a connection between the benefits provided and the health of the unborn child.'' A whole range of health services to pregnant women during pregnancy and delivery could be potentially denied as a result. In the case of epidurals, for example, the best the regulation can say is that you ''expect'' coverage.

For postpartum care, the regulation explicitly states that any care during that period, including but not limited to hemorrhage, infection, episiotomy repair, C-section repair, family planning counseling, treatment of complications after delivery (including life-saving surgery), and postpartum depression, would be denied. As the regulation reads, ''Commenters are correct that care after delivery, such as postpartum services could not be covered as part of [SCHIP], (unless the mother is under age 19 and eligible for SCHIP in her own right), because they are not services for an eligible child.''

According to the Centers for Disease Control and Prevention (CDC), the United States ranks 21st in the world in maternal mortality. The major causes of which were hemorrhage, ectopic pregnancy, pregnancy-induced hypertension, embolism, infection, and other complications of pregnancy and childbirth. Again, health coverage for many of these conditions is denied under the regulation but not in S. 724. How then do you argue the regulation is ''more effective and comprehensive'' and that the legislation is ''duplicat[ive]'' of the regulation with respect to care for pregnant women?

With respect to coverage of children, under the regulation, the 12-month continuous eligibility for children is not from the time of birth but the clock begins running during the time of coverage prior to birth. S. 724 provides comprehensive pediatric care to children throughout the first and most fragile year of life. In contrast, for prenatal care delivered to an ''unborn child'' under this regulation, that time is subtracted from the 12-month period after birth. Therefore, under the regulation, if nine months of prenatal care are provided, the child could lose coverage at the end of the 3rd month after birth. Potentially lost would be a number of important well-baby visits, immunizations, and access to their pediatric caregiver. Once again, how then do you argue the regulation is ''more effective and comprehensive'' and that the legislation is ''duplicat[ative]'' to the regulation for children?

Furthermore, according to the rule, the Administration estimates that only 13 states will elect to adopt this definition to include ''unborn children'' in their SCHIP state plans. The other 37 states will either not expand SCHIP to provide prenatal care to additional populations or be forced to seek a federal waiver to also cover pregnant women, as Colorado did just two weeks ago. However, the regulation was right on the mark in stating that it is ''an inferior option'' to require states to have to get waivers to provide the full range of care to pregnant women and 12-month continuous eligibility for children after birth.

As the regulation reads, ''. . . the Secretary's ability to intervene through one mechanism (a waiver) should not be the sole option for States and may in fact be an inferior option. Waivers are discretionary on the part of the Secretary and time limited while State plan amendments are permanent, and are subject to budget neutrality.'' For a third time, how can you now argue, less than a week after issuing the regulation, that it is ''more effective and comprehensive'' than the legislation?

The States agree, as you know. The National Governors' Association has clear policy expressing support for the passage of such legislation. As their policy position (HR–15. ''The State Children's Health Insurance Program (S–CHIP) Policy'') reads:

''The Governors have a long tradition of expanding coverage options for pregnant women through the Medicaid program. However, pregnant women in working families are not eligible for SCHIP coverage. The Governors call on Congress to create a state option that would allow states to provide health coverage to income-eligible pregnant women under SCHIP. This small shift in federal policy would allow states to provide critical prenatal care and would increase the likelihood that children born to SCHIP mothers would have a healthy start.''

Finally, unlike S. 724, the regulation provides absolutely no additional resources (despite estimating the cost to be $330 million over the next five years) for covering ''unborn children'' and certain pregnancy-related services. Current projections by the Office of Management and Budget indicate that SCHIP funds will ultimately be inadequate to cover all the children currently enrolled, even though millions of additional children are eligible but not currently covered. In sharp contrast, just as S. 724 does, we must provide adequate resources to serve both low-income children and low-income pregnant women.

Mr. Secretary, just as you said in your press release on January 31, 2002, we also praise Senators Bond, Breaux, and Collins for ''bipartisan leadership in supporting S. 724, a bill that would allow states to provide prenatal coverage for low-income women through the SCHIP program. We support this legislative effort in this Congress.'' We agreed with you on January 31, 2002, and hope that you will once again support the passage of S. 724, the ''Mothers and Newborns Health Insurance Act.''

We eagerly await your response to this very important matter with respect to the health and well-being of our nation's children and mothers.

Sincerely,

Jeff Bingaman, Jon Corzine, Edward M. Kennedy, Maria Cantwell, Hillary Rodham Clinton, Dianne Feinstein, Blanche L. Lincoln, Mary Landrieu, Patty Murray, James M. Jeffords, John B. Breaux, Jack Reed, Patrick J. Leahy, Barbara A. Mikulski, Charles E. Schumer.

THE SECRETARY OF HEALTH AND HUMAN SERVICES,
Washington, DC, October 15, 2002.

Hon. JEFF BINGAMAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR BINGAMAN: Thank you for your letter of last week and your continued interest in finding effective ways to increase prenatal coverage.

I have frequently stated in the past that my chief objective in proposing the rule to extend coverage to unborn children was to ensure that pregnant women and children who are currently ineligible for health care under either Medicaid or S–CHIP are given the support they need for a healthy pregnancy and a safe delivery. This is clearly a goal we share. When asked my position on pending legislation earlier this year, I expressed general support because my overriding interest and concern has always been to provide prenatal care to more women and children. If legislation could provide that coverage more expeditiously, then it seemed to me it would be advantageous to women and children to see that go forward.

However, despite years of committed effort by you and other members, Congress has yet to move legislation through the process. Legislation was introduced in the 106th Congress but was never reported out of Committee in either the House or Senate. In this current Congress, the Senate Finance Committee reported S. 724 in early August of this year, but no floor time was scheduled for its consideration. Consequently, after seven months without any legislative action, I issued a final regulation.

Last year, when I saw that I had the authority under current law to provide prenatal and delivery care to low-income pregnant mothers and their unborn children, I was excited because I realized the Department could accomplish what we all wish to achieve: helping those children get a healthy start in life. A great deal of thought went into the regulation and, with the exception of postpartum care after hospitalization, we were able to give the states the same flexibility the would have under the proposed legislation to provide prenatal and delivery care to unborn children and their mothers.

Under current law, however, we have the authority to grant waivers that include coverage for women if they become pregnant, including postpartum care. Since January 2001, I have granted approval to a number of states to allow for expanded health insurance coverage through comprehensive 1115 waivers, which also include postpartum care. In fact, this summer I approved a waiver for New Mexico which included prenatal care, labor and delivery, and postpartum care. This regulation simply adds to the options available to the states in expanding health insurance coverage.

In addition to making it possible for states to use federal funds to provide the prenatal and pregnancy-related coverage options available under S. 724, the regulation provides additional opportunities and assistance for states to reach low-income women. For example, under the regulation, we were able to reach an even broader population of vulnerable women and children because we could offer prenatal care to the children of immigrants who are otherwise ineligible for any coverage. The establishment of eligibility regardless of immigrant status is possible under the regulation but not under S. 724, making the regulation more comprehensive. I am sure you appreciate the importance of the new opportunity to provide prenatal care and pregnancy-related services to immigrant mothers, given the substantial immigrant population in New Mexico.

Additionally, the regulation provides more opportunities for states to access enhanced-match funds than S. 724. Under the bill, states with current eligibility levels for pregnant women below 185 percent of poverty would not be eligible for the enhanced match until they raised their eligibility at their regular match rate. States have already had the option to raise eligibility for pregnant women at their regular match rate, but many have not done so. Thus, we expect that many states will not expand prenatal coverage under S. 724. However, access to enhanced-match funds under the regulation will provide them a more affordable opportunity to do so.

With regard to specific criticisms of the rule, you have raised concerns about the reference in the S–CHIP regulation to ''gaps.'' It is important to put the use of the term ''gaps'' in the proper context. This reference is to the eleigbility gap between Medicaid and S–CHIP, which the regulation and S. 724 both seek to close. The response in the regulation does not refer to benefits, so the reference in your recent letter that ''gaps remain'' is taken out of context and, in fact, an incorrect referencing of the regulation.

Under both the regulation and the legislation, the states ultimately determine the benefit package. That feature of your legislation does not differ from the rule. And, we have clearly indicated federal funds will be available for services including prenatal care and labor and delivery. Your letter makes assumptions regarding medical services during pregnancy and delivery that HHS does not. The letter confuses medical decisions that are made by physicians with payment of claims under a public assistance program. The regulation is used to establish eligibility for benefits and does not itself extend into medical decision-making between a woman and her physician. HHS responded to a number of questions regarding services and clearly indicated federal financial participation would be available. There is no need to further question whether a claim for a service already provided will receive federal matching funds.

The issue of 12 months continuous eligibility is an option for the states. Under the regulation, states that want to extend eligibility can easily do so.

I hope this explanation of the regulation and where it extends beyond the reach of S. 724 will give you confidence in our policy and it's ability to meet the ultimate goal that you and I have worked over the years to meet. You are due a large measure of credit for your efforts on behalf of low-income women and their children. The regulation is a victory for those women and children and will give otherwise uncovered needy mothers and their babies a healthy start in life.

Sincerely,

TOMMY G. THOMSPON.

U.S. SENATE,
Washington, DC, October 23, 2002.

Hon. TOMMY THOMPSON,
Secretary, Department of Health and Human Services, Washington, DC.

DEAR SENATOR THOMPSON: Thank you for your letter yesterday with regard to improving health coverage for pregnant women and children. We appreciate your stated desire to ''give otherwise uncovered needy mothers and their babies a healthy start in life'' by adding ''to the options available to the states in expanding health insurance options.'' We believe we can take the best aspects of the legislation and the regulation to truly improve the health and well-being of our nation's children and mothers.

In light of the fact that our nation ranks 26th in infant mortality and 21st in maternal mortality in the world, which is the worst among developed nations, we would be remiss to not take the simple but critical step of increasing access to prenatal, delivery, and postpartum care through the State Children's Health Insurance Program (SCHIP) to help prevent birth defects and prematurity, the most common causes of infant death and disability, and maternal death and disability.

As your letter acknowledges, postpartum care is not covered under the regulation. This gap in coverage includes a range of critical care for women, including potentially life-saving postpartum care for hemorrhage, pregnancy-induced hypertension, infection, ectopic pregnancy, embolism, episiotomy repair, Caesarean section repair, family planning counseling, postpartum depression, and other complications of pregnancy and childbirth. In fact, according to the National Committee for Quality Assurance (NCQA), ''Hemorrhage, pregnancy-induced hypertension, infection, and ectopic pregnancy continue to account for more than half of all maternal deaths (59 percent).''

According to the Centers for Disease Control and Prevention (CDC), there were 3,193 pregnancy-related deaths in this country between 1991 and 1997 for an overall pregnancy-related mortality ratio (PRMR) of 11.5 per 100,000 live births. Racial disparities are rather dramatic with respect to maternal mortality. African-American women had mortality rates over four times higher than that of non-Hispanic whites over the period. American Indian/Alaska Natives, Asian/Pacific Islanders, and Hispanic women had mortality rates 67 percent, 55 percent, and 41 percent, respectively, higher than non-Hispanic whites.

Those disparities are even more pronounced in some states. For example, in Wisconsin, the maternal mortality rate for African-American women was 4.2 times that of white women between 1987 and 1996. Certainly, this is something that we can all agree should be addressed.

To allow states the option to provide comprehensive coverage to pregnant women, including postpartum care, through SCHIP would help achieve that important goal. S. 724, the ''Mothers and Newborns Health Insurance Act,'' gives states that important coverage option while the regulation does not.

While your letter correctly notes that states may receive comprehensive 1115 waivers to provide coverage to pregnant women, your regulation is correct in noting that is an inferior option. As the regulation reads, ''. . . the Secretary's ability to intervene through one mechanism (a waiver) should not be the sole option for States and may in fact be an inferior option. Waivers are discretionary on the part of the Secretary and time limited while State plan amendments are permanent, and are subject to budget neutrality.'' We should remove those barriers and give states the option to provide pregnant women coverage without having to seek waivers.

We would add that the waiver option is allowed for the purposes of giving the Secretary demonstration authority. We certainly can all acknowledge that coverage of pregnant women has reduced both infant mortality and maternal mortality and need not be demonstrated any further. The waiver process seems inappropriate for this purpose. Instead, we should remove those barriers for states to provide comprehensive coverage to pregnant women. As the National Governors' Association has stated in its policy (HR–15. ''The State Children's Health Insurance Program (S–CHIP) Policy''): The Governors call on Congress to create a state option that would allow states to provide health coverage to income-eligible women under SCHIP. This small shift in federal policy would allow states to provide critical prenatal care and would increase the likelihood that children born to SCHIP mothers would have a healthy start.

Just as the governors have requested, we can still make that ''small shift'' in policy through the passage of S. 724.

As for the coverage of infants, your letter did not address the issues raised in a previous letter to you from 15 senators, including many of us, dated October 10, 2002. Your letter restates the fact that states have the option to provide children 12 months of continuous eligibility in Medicaid and SCHIP. However, under the regulation, the 12-month continuous eligibility for children is not from the time of birth. Rather, the clock begins running during the time of coverage prior to birth. Thus, it is likely that most newborns would have far less than 12 months of coverage after birth if a State chooses to use the option to provide care to ''unborn children.'' If covered for the full nine months of pregnancy, the child could lose eligibility for SCHIP after the third month of life and consequently lose important coverage for well-baby visits, immunizations, and access to their pediatric caregiver. That would be an outright reduction of coverage for some children after birth.

We would note that the legislation continues to have the strong support of a number of groups, including some who support the regulation but acknowledge its shortcomings and continue to support passing legislation. Those groups include the American Association of University Affiliated Programs, the American Academy of Pediatrics, the American College of Nurse Midwives, the American College of Obstetrics and Gynecologists, the American Hospital Association, the American Medical Association, the American Public Health Association, the Association of Women's Health, Obstetric and Neonatal Nurses, the Association of Maternal and Child Health Programs, the Catholic Health Association, Catholic Charities USA, the Council of Women's and Infants' Specialty Hospitals, the Easter Seals, FamilyVoices, the March of Dimes, the National Association of Children's Hospitals, the National Association of Public Hospitals and Health Systems, the National Women's Health Network, the National Association of County and City Health Officials, the Society for Maternal-Fetal Medicine, the Spina Bifida Association of America, the Alan Guttmacher Institute, and the United Cerebral Palsy Associations.

There are certainly areas where the regulation is more comprehensive than the legislation, such as providing coverage to the ''unborn children'' of immigrant mothers and by providing states easier access to enhanced matching funds. We believe we could certainly amend S. 724 to address these shortcomings rather easily. It would be easy to drop the requirement in the bill for a state to expand eligibility to 185 percent of poverty before receiving the enhanced matching rate. However, this begs the question about the need for providing additional resources in SCHIP to cover these options. Current projections by the Office of Management and Budget indicate that SCHIP funds will ultimately be inadequate to cover all the children currently enrolled, even though millions of additional children are eligible but not currently covered. S. 724 provides such funding, which the regulation does not and cannot.

In short, we believe that we can rather quickly achieve the best of both the legislation and the regulation. S. 724 expands state options to cover critically important postpartum services for women, ensures children are eligible for coverage throughout the first and most critical year of life, and provides much needed resources to provide such care. In contrast, the regulation provides states with more opportunities to access enhanced matching funds and provides certain prenatal care services to immigrant mothers that S. 724 does not provide.

We would like to arrange a meeting with you or your staff to jointly modify S. 724 to address, as best as we can, the concerns we have discussed above and that you have raised with the legislation to accomplish the objective we all share of improving the health and well-being of out nation's children and mothers.

Sincerely,

Jeff Bingaman. Blanche L. Lincoln. Jon Corzine. Maria Cantwell. Patty Murray. Mary Landrieu. James M. Jeffords. Edward M. Kennedy. Hillary Rodham Clinton. Charles E. Schumer. John F. Kerry. John R. Edwards. Daniel K. Akaka. Jack Reed. Robert G. Torricelli.

Mr. LUGAR. Mr. President, I rise today with my colleague Senator BINGAMAN to re-introduce the Start Healthy, Stay Healthy Act of 2003.

The United States ranks 26th in infant mortality and 21st in maternal mortality in the world, the worst among developed nations. Study after study shows that providing prenatal care to pregnant women reduces maternal and infant mortality and the incidence of low birth weight babies. According to the American Medical Association, ''Babies born to women who do not receive prenatal care are four times more likely to die before their first birthday.''

The Start Healthy, Stay Healthy Act of 2003 would significantly reduce the number of uninsured pregnant women and newborns by providing States with the option to further extend coverage to pregnant women through Medicaid and CHIP, to reduce infant and maternal mortality and low birth weight babies, and to cover newborns through the first full year of life.

Current federal law allows pregnant women to receive coverage through CHIP through age 18—creating a perverse Federal incentive of covering only teenage pregnant women and cutting off that coverage once they turn 19 years of age. This legislation would eliminate this problem by allowing States to cover pregnant women through CHIP, regardless of age. This also eliminates the unfortunate separation between pregnant women and infants that has been created through CHIP, and is contrary to longstanding federal policy through programs such as Medicaid, Women with Infants and Children, WIC, Maternal and Child Health, MCH, etc.

An estimated 4.3 million, or 32 percent, of mothers below 200 percent of poverty are uninsured. According to the March of Dimes, ''Over 95 percent of all uninsured pregnant women could be covered through a combination of aggressive Medicaid outreach, maximizing coverage for young women through [CHIP], and expanding CHIP to cover income-eligible pregnant women regardless of age.''

Increasing the availability of affordable health care is certainly an issue of great importance to our Nation—particularly those who are uninsured. While our bill will not solve the problem of the uninsured, we believe that helping more pregnant women and babies receive care is a significant step in the right direction.

I ask our colleagues to support the Start Healthy, Stay Healthy Act of 2003, and help us take this important step in improving health care for the mothers of tomorrow.

By Mrs. FEINSTEIN (for herself, Mr. SCHUMER, Mr. CHAFEE, Mr. JEFFORDS, Mr. KENNEDY, Mr. DURBIN, Mr. LAUTENBERG, Mrs. BOXER, and Mr. REED):

S. 1034. A bill to repeal the sunset date on the assault weapons ban, to ban the importation of large capacity ammunition feeding devices, and for other purposes; to the Committee on the Judiciary.

Mrs. FEINSTEIN. Mr. President, I rise today to introduce legislation with Senators CHUCK SCHUMER, LINCOLN CHAFEE, BARBARA BOXER, DICK DURBIN, JACK REED, FRANK LAUTENBERG, JIM JEFFORDS, and EDWARD KENNEDY that would permanently reauthorize the assault weapons ban and close the clip-importation loophole.

Military-style assault weapons simply have no place on America's streets. But if Congress fails to act, the current ban will expire next year. This would be a terrible mistake.

This is why Congress must reauthorize the ban and close the high-capacity

clip importation loophole so that we can help keep America's streets safe from the violence produced by assault weapons.

Almost 10 years ago on July 1, 1993 Gian Luigi Ferri walked into 101 California Street in San Francisco carrying two high-capacity TEC–9 assault pistols.

Within minutes, he had murdered eight people, and six others were wounded. This tragedy shook San Francisco and the entire nation.

We saw with absolute clarity the destruction that could be inflicted with these military-style assault weapons.

Navegar's advertising for the TEC–9 touted the gun as being for 'paramilitary' use and 'resistant to fingerprints,' with a 'military non-glare finish,' a 'military blowback system,' and 'combat-type' sights.

Guns like these are the weapons of choice to commit crimes. They are the weapons of choice for drive-by shooters, criminals going into a major criminal event, and malcontents who are seeking to do the maximum damage possible in the shortest amount of time.

That's what makes them so dangerous because they have light triggers, you can spray fire them, you can hold them with two hands, and you don't really need to aim.

They are not weapons of choice for hunting or defensive purposes.

In the aftermath of 101 California and countless other shootings, I decided to do something that no one had succeeded in doing before: to ban the manufacture and importation of military style assault weapons.

I authored the bill in the Senate, and Senator SCHUMER authored it in the House of Representatives.

I remember all the late night calls I got and all the friends who took me aside and said to me: ''Don't do it. The gunners are too powerful. You'll never ever win.''

Well, we did win. We passed the first-ever ban on assault weapons, and since September 13, 1994, it has been illegal to manufacture and import military-style assault weapons.

The hope of the bill has been to drive down the supply of these weapons and make them more expensive to obtain.

And in the years following the enactment of the ban, crimes using assault weapons were reduced dramatically.

In 1993, assault weapons accounted for 8.2 percent of all guns used in crimes; By the end of 1995, that proportion had fallen to 4.3 percent—a dramatic drop; and by November 1996, the last date for which statistics are available, the proportion had fallen to 3.2 percent.

These are dramatic results, which show that the Assault Weapons ban has worked. We have had trouble getting updated statistics from this Justice Department, but it is clear that after we banned these guns, criminals used them less frequently in crime.

Unfortunately, to get the bill passed in 1994, we had to agree to a ten-year sunset in the bill—and this is why we are here today. If we do not re-authorize the 1994 assault weapons ban this Congress, it will expire on September 13, 2004.

That means that at the end of next year, manufacturers could once again begin making AK–47s, TEC–9s, and other banned guns that have but one purpose—to kill other human beings.

We are here today because we believe that this would be a terrible mistake—with deadly consequences for thousands of Americans each year.

So today we will introduce legislation to do two simple things. First, the legislation would reauthorize the 1994 assault weapons ban by striking the sunset date from the original law. This would ban the manufacture of 19 types of common military style assault weapons—for all time.

It would ban an additional group of these assault weapons that have been banned by characteristic for 8 years.

It would protect some 670 hunting and other recreational rifles for use by law-abiding citizens.

And it would preserve the right of police officers and other law enforcement officials to use and obtain newly manufactured semi-automatic assault weapons—helping to prevent instances when law enforcement agents are outgunned by perpetrators.

We certainly would like a stronger bill that would tighten the ban—based on our 10 years of experience of what the gun companies have done to get around the bill.

But unfortunately there is not the support for that right now. If the support becomes evident, then we may amend the bill at a later date.

Second, the legislation would close a loophole in the 1994 law, which prohibits the domestic manufacture of high-capacity ammunition magazines, but allows foreign companies to continue sending them to this country by the millions.

A measure that would have closed this loophole passed the House and Senate in 1999 by wide margins, but got bottled up in a larger conference due to an unrelated provision.

The result: the Bureau of Alcohol, Tobacco and Firearms has approved the importation of almost 50 million high capacity ammunition magazines from some 50 countries since 1994.

It is these large clips, drums, and strips that allow lone gunmen, or small groups of teenagers, to inflict so much damage in such a small amount of time.

We must close this loophole now.

The good news: President Bush has indicated that he supports each of these provisions. During the 2000 Presidential Campaign, President Bush indicated that he supported both reauthorization of the assault weapons ban and closing the clip importation loophole.

And just a few weeks ago, President Bush's spokesman Scott McClellan reiterated his support for reauthorizing the ban when he said: ''The President supports the current law, and he supports reauthorization of the current law.''

It is therefore our hope that the President will work with us to see this bill passed. We welcome the President's support and look forward to working with him to gain swift passage of this legislation.

One of the best examples of the damage that assault weapons can inflict is the massacre in Littleton, Colorado.

On April 24, 1999, Eric Harris and Dylan Klebold used a TEC DC–9 semi-automatic pistol to attack the students and teachers of Columbine High School.

They used this weapon to take the lives of 13 innocents, 12 students and 1 teacher, and injured dozens more mothers, fathers, sons and daughters.

I do not believe that the 2nd Amendment protects military assault weapons. The Constitution is not an umbrella for mayhem. The Bill of Rights is not a guarantor of violence.

Congress has passed this legislation once—it is time to pass the assault weapons ban again.

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

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

S. 1034

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Assault Weapons Ban Reauthorization Act of 2003''.

SEC. 2. REPEAL OF SUNSET DATE.

Section 110105 of the Public Safety and Recreational Firearms Use Protection Act (18 U.S.C. 921 note) is amended to read as follows:

''SEC. 110105. EFFECTIVE DATE.

''This subtitle and the amendments made by this subtitle shall take effect on September 13, 1994.''.

SEC. 3. BAN ON IMPORTING LARGE CAPACITY AMMUNITION FEEDING DEVICES.

(a) IN GENERAL.—Section 922(w) of title 18, United States Code, is amended—

(1) in paragraph (1), by striking ''(1) Except as provided in paragraph (2)'' and inserting ''(1)(A) Except as provided in subparagraph (B)'';

(2) in paragraph (2), by striking ''(2) Paragraph (1)'' and inserting ''(B) Subparagraph (A)'';

(3) by inserting before paragraph (3) the following:

''(2) It shall be unlawful for any person to import a large capacity ammunition feeding device.''; and

(4) in paragraph (4)—

(A) by striking ''(1)'' each place it appears and inserting ''(1)(A)''; and

(B) by striking ''(2)'' and inserting ''(1)(B)''.

(b) CONFORMING AMENDMENT.—Section 921(a)(31) of title 18, United States Code, is amended by striking ''manufactured after the date of enactment of the Violent Crime Control and Law Enforcement Act of 1994''.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 134—TO AUTHORIZE REPRESENTATION BY THE SENATE LEGAL COUNSEL IN NEWDOW V. EAGEN, ET AL

Mr. FRIST (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

Whereas, S. Res. 343, 107th Congress, authorizes the Senate Legal Counsel to represent the Secretary of the Senate and the Senate Financial Clerk in the case of *Newdow* v. *Eagen, et al.*, Case No. 1:02CV01704, pending in the United States District Court for the District of Columbia;

Whereas, additional defendents have been named in that case; and

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(1), the Senate may direct its counsel to represent officers and employees of the Senate in civil actions with respect to their official responsibilities: Now, therefore, be it *Resolved* That the Senate Legal Counsel is authorized to represent all Senate defendents in the case of *Newdow* v. *Eagen, et al.*

SENATE RESOLUTION 135—EXPRESSING THE SENSE OF THE SENATE THAT CONGRESS SHOULD PROVIDE ADEQUATE FUNDING TO PROTECT THE INTEGRITY OF THE FREDERICK DOUGLASS NATIONAL HISTORIC SITE

Mr. FRIST (for himself and Mr. BROWNBACK, and Mr. TALENT) submitted the following resolution; which was referred to the Committee on Energy and Natural Resources:

S. RES. 135

Whereas Frederick Douglass freed himself from slavery and, through decades of tireless efforts, helped to free millions more;

Whereas as a major stationmaster on the Underground Railroad, Frederick Douglass directly helped hundreds on their way to freedom through his adopted home city of Rochester, New York;

Whereas Frederick Douglass learned to write and do arithmetic on his own initiative;

Whereas as a publisher of the North Star and Frederick Douglass' Paper, Frederick Douglass brought news of the antislavery movement to thousands of people;

Whereas Frederick Douglass helped recruit African-American troops for the Union Army and his personal relationship with Abraham Lincoln helped to persuade the President to make emancipation a cause of the Civil War;

Whereas in 1872, Frederick Douglass moved to Washington, D.C., where he initially served as publisher of the New National Era, intending to carry forward the work of elevating the position of African Americans in the post-emancipation period; and

Whereas Frederick Douglass also served briefly as President of the Freedmen's National Bank and subsequently in various national service positions, including United States Marshal for the District of Columbia and diplomatic positions in Haiti and the Dominican Republic: Now, therefore, be it

Resolved, That it is the sense of the Senate that Congress should provide adequate funding to protect the integrity of the Frederick Douglass National Historic Site.

SENATE RESOLUTION 136—RECOGNIZING THE 140TH ANNIVERSARY OF THE FOUNDING OF THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS, AND CONGRATULATING MEMBERS AND OFFICERS OF THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS FOR THE UNION'S MANY ACHIEVEMENTS

Mr. DASCHLE (for Mr. KENNEDY (for himself and Mr. VOINOVICH)) submitted the following resolution; which was referred to the Committee on the Judiciary:

Whereas the Brotherhood of Locomotive Engineers was founded on May 8, 1863, as a secret, fraternal labor organization and its first meetings were held clandestinely for fear of reprisals from railroad management;

Whereas the climate toward labor organizations at that time was extraordinarily hostile, and many of the other newly founded labor organizations failed to withstand the negative pressures placed upon them and disbanded in their infancies;

Whereas the Brotherhood of Locomotive Engineers began to thrive despite the climate into which it was born;

Whereas the Brotherhood of Locomotive Engineers has grown from its original 13 members, all from the Michigan Central Railroad, to 59,000 active and retired members employed throughout the United States and Canada;

Whereas the Brotherhood of Locomotive Engineers is North America's oldest rail labor union;

Whereas the Brotherhood of Locomotive Engineers' members have contributed, both directly through their railroad activity and in private capacities, to the war effort in all of the battles of the United States dating back to the Civil War;

Whereas their efforts to improve rail safety for both their members and the public have resulted in a dramatic decrease in the number of railroad accidents in the years since their inception;

Whereas in 1964, the Brotherhood of Locomotive Engineers launched an apprentice engineer program to assure the Nation of a stable supply of well-trained locomotive engineers, and to assure stable employment and earnings to apprentices;

Whereas after accepting only promoted locomotive engineers in its early years, the Brotherhood of Locomotive Engineers enlarged its membership goals to include other rail employees;

Whereas in 1993, the 2,500 member American Train Dispatchers Association officially affiliated with the Brotherhood of Locomotive Engineers in order to unite the two key railway professions that facilitate the efficient and safe movement of passengers and freight;

Whereas in 1995, the Rail Canada Traffic Controllers union also chose to merge into the Brotherhood of Locomotive Engineers, adding another 700 members;

Whereas in addition to providing representation for its members, the Brotherhood of Locomotive Engineers aggressively participates in the labor movement with other unions and organizations in promoting the interests of working men and women and their families;

Whereas the Brotherhood of Locomotive Engineers is an extraordinary union whose leadership still works hard every day—just as it did in 1863—to protect members' health and safety, to guard their financial interests, to give them an effective voice on the job, and to ensure dignity, respect, and security for railway workers in the workplace; and

Whereas the efforts of the Brotherhood of Locomotive Engineers are deserving of our attention and admiration: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes the union which has made a tremendous contribution to the structural development and building of the United States, and to the well-being of tens of thousands of workers;

(2) congratulates the union for its many achievements and the strength of its members; and

(3) expects that the union will continue its dedicated work and will have an even greater impact in the 21st century and beyond, and will enhance the standard of living and working environment for rail workers and other laborers in generations to come.

SENATE RESOLUTION 137—HONORING JAMES A JOHNSON, CHAIRMAN OF THE BOARD OF TRUSTEES OF THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Mr. FRIST (for himself, Mr. DASCHLE, Mr. STEVENS, Mr. KENNEDY, Mr. JEFFORDS, Mr. INHOFE, Mrs. HUTCHISON, and Mrs. FEINSTEIN) submitted the following resolution; which was considered and agreed to:

Whereas James A. Johnson has served with distinction since 1996 as the Chairman of the Board of Trustees of the John F. Kennedy Center for the Performing Arts, which is the national center for the performing arts;

Whereas under the leadership of Jim Johnson, the Kennedy Center has earned impressive renown, and become one of the finest performing arts institutions in the Nation and around the world;

Whereas Jim Johnson initiated free public performances each evening on the Millennium Stage at the Kennedy Center, and these performances have now included a total of 25,000 performers and reached an audience of 1,500,000 persons since 1997;

Whereas the arts education programs of the Kennedy Center have been significantly expanded under the inspired leadership of Jim Johnson;

Whereas Jim Johnson has launched a major renovation and construction project to improve the physical structure of the Kennedy Center and enrich the experience of all who visit and attend performances; and

Whereas Jim Johnson deserves the thanks of a grateful Nation for his leadership at the Kennedy Center, and in bringing new vitality to the cultural heritage of our Nation: Now, therefore, be it

Resolved, That the Senate—

(1) expresses its appreciation for all that Jim Johnson has accomplished; and

(2) commends Jim Johnson for his extraordinary achievements as Chairman of the John F. Kennedy Center for the Performing Arts.

AMENDMENTS SUBMITTED & PROPOSED

SA 536. Mr. FEINGOLD proposed an amendment to the bill S. 113, to amend the Foreign Intelligence Surveillance Act of 1978 to cover individuals, other than United States persons, who engage in international terrorism without affiliation with an international terrorist group.

SA 537. Mrs. FEINSTEIN (for herself, Mr. ROCKEFELLER, Mr. LEAHY, Mr. EDWARDS, Mr. FEINGOLD, Mr. DODD, Mr. WYDEN, and Mrs. BOXER) proposed an amendment to the bill S. 113, supra.

SA 538. Mrs. HUTCHISON (for Mr. MCCAIN (for herself, Mr. HOLLINGS, Mrs. HUTCHISON, and Mrs. BOXER)) proposed an amendment to the bill S. 165, to improve air cargo security.

TEXT OF AMENDMENTS

SA 536. Mr. FEINGOLD proposed an amendment to the bill S. 113, to amend the Foreign Intelligence Surveillance Act of 1978 to cover individuals, other than United States persons, who engage in international terrorism without affiliation with an international terrorist group; as follows:

At the end, add the following:

SEC. 2. ADDITIONAL ANNUAL REPORTING REQUIREMENTS UNDER THE FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978.

(a) ADDITIONAL REPORTING REQUIREMENTS.—The Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.) is amended—

(1) by redesignating—

(A) title VI as title VII; and

(B) section 601 as section 701; and

(2) by inserting after title V the following new title VI:

''TITLE VI—REPORTING REQUIREMENT

''ANNUAL REPORT OF THE ATTORNEY GENERAL

''SEC. 601. (a) In addition to the reports required by sections 107, 108, 306, 406, and 502 in April each year, the Attorney General shall submit to the appropriate committees of Congress each year a report setting forth with respect to the one-year period ending on the date of such report—

''(1) the aggregate number of non-United States persons targeted for orders issued under this Act, including a break-down of those targeted for—

''(A) electronic surveillance under section 105;

''(B) physical searches under section 304;

''(C) pen registers under section 402; and

''(D) access to records under section 501;

''(2) the number of individuals covered by an order issued under this Act who were determined pursuant to activities authorized by this Act to have acted wholly alone in the activities covered by such order;

''(3) the number of times that the Attorney General has authorized that information obtained under this Act may be used in a criminal proceeding or any information derived therefrom may be used in a criminal proceeding; and

''(4) in a manner consistent with the protection of the national security of the United States—

''(A) the portions of the documents and applications filed with the courts established under section 103 that include significant construction or interpretation of the provisions of this Act, not including the facts of any particular matter, which may be redacted;

''(B) the portions of the opinions and orders of the courts established under section 103 that include significant construction or interpretation of the provisions of this Act, not including the facts of any particular matter, which may be redacted.

''(b) The first report under this section shall be submitted not later than six months after the date of the enactment of this Act. Subsequent reports under this section shall be submitted annually thereafter.

''(c) In this section, the term 'appropriate committees of Congress' means—

''(1) the Select Committee on Intelligence and the Committee on the Judiciary of the Senate; and

''(2) the Permanent Select Committee on Intelligence and the Committee on the Judiciary of the House of Representatives.''.

(b) CLERICAL AMENDMENT.—The table of contents for that Act is amended by striking the items relating to title VI and inserting the following new items:

''TITLE VI—REPORTING REQUIREMENT

''Sec. 601. Annual report of the Attorney General.

''TITLE VII—EFFECTIVE DATE

''Sec. 701. Effective date.''.

SA 537. Mrs. FEINSTEIN (for herself, Mr. ROCKEFELLER, Mr. LEAHY, Mr. EDWARDS, Mr. FEINGOLD, Mr. DODD, Mr. WYDEN, and Mrs. BOXER) proposed an amendment to the bill S. 113, to amend the Foreign Intelligence Surveillance Act of 1978 to cover individuals, other than United States persons, who engage in international terrorism without affiliation with an international terrorist group; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. PRESUMPTION THAT CERTAIN NON-UNITED STATES PERSONS ENGAGING IN INTERNATIONAL TERRORISM ARE AGENTS OF FOREIGN POWERS FOR PURPOSES OF THE FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978.

(a) PRESUMPTION.—(1) The Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.) is amended by inserting after section 101 the following new section:

''PRESUMPTION OF TREATMENT OF CERTAIN NON-UNITED STATES PERSONS ENGAGED IN INTERNATIONAL TERRORISM AS AGENTS OF FOREIGN POWERS

''SEC. 101A. Upon application by the Federal official applying for an order under this Act, the court may presume that a non-United States person who is knowingly engaged in sabotage or international terrorism, or activities that are in preparation therefor, is an agent of a foreign power under section 101(b)(2)(C).''.

(2) The table of contents for that Act is amended by inserting after the item relating to section 101 the following new item:

''Sec. 101A. Presumption of treatment of certain non-United States persons engaged in international terrorism as agents of foreign powers.''.

(b) SUNSET.—The amendments made by subsection (a) shall be subject to the sunset provision in section 224 of the USA PATRIOT Act of 2001 (Public Law 107–56; 115 Stat. 295), including the exception provided in subsection (b) of such section 224.

SA 538. Mrs. HUTCHISON (for Mr. MCCAIN (for himself, Mr. HOLLINGS, Mrs. HUTCHISON, and Mrs. BOXER)) proposed an amendment to the bill S. 165, to improve air cargo security; as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Air Cargo Security Improvement Act''.

SEC. 2. INSPECTION OF CARGO CARRIED ABOARD PASSENGER AIRCRAFT.

Section 44901(f) of title 49, United States Code, is amended to read as follows:

''(f) CARGO.—

''(1) IN GENERAL.—The Under Secretary of Transportation for Security shall establish systems to screen, inspect, or otherwise ensure the security of all cargo that is to be transported in—

''(A) passenger aircraft operated by an air carrier or foreign air carrier in air transportation or intrastate air transportation; or

(B) all-cargo aircraft in air transportation and intrastate air transportation.

''(2) STRATEGIC PLAN.—The Under Secretary shall develop a strategic plan to carry out paragraph (1) within 6 months after the date of enactment of the Air Cargo Security Improvement Act.

''(3) PILOT PROGRAM.—The Under Secretary shall conduct a pilot program of screening of cargo to assess the effectiveness of different screening measures, including the use of random screening. The Under Secretary shall attempt to achieve a distribution of airport participation in terms of geographic location and size.''.

SEC. 3. AIR CARGO SHIPPING.

(a) IN GENERAL.—Subchapter I of chapter 449 of title 49, United States Code, is amended by adding at the end the following:

''§ 44922. Regular inspections of air cargo shipping facilities

''The Under Secretary of Transportation for Security shall establish a system for the regular inspection of shipping facilities for shipments of cargo transported in air transportation or intrastate air transportation to ensure that appropriate security controls, systems, and protocols are observed, and shall enter into arrangements with the civil aviation authorities, or other appropriate officials, of foreign countries to ensure that inspections are conducted on a regular basis at shipping facilities for cargo transported in air transportation to the United States.''.

(b) ADDITIONAL INSPECTIONS.—The Under Secretary may increase the number of inspectors as necessary to implement the requirements of title 49, United States Code, as amended by this subtitle.

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 449 of title 49, United States Code, is amended by adding at the end the following:

''44922. Regular inspections of air cargo shipping facilities''.

SEC. 4. CARGO CARRIED ABOARD PASSENGER AIRCRAFT.

(a) IN GENERAL.—Subchapter I of chapter 449 of title 49, United States Code, is further amended by adding at the end the following:

''§ 44923. Air cargo security

''(a) DATABASE.—The Under Secretary of Transportation for Security shall establish an industry-wide pilot program database of known shippers of cargo that is to be transported in passenger aircraft operated by an air carrier or foreign air carrier in air transportation or intrastate air transportation. The Under Secretary shall use the results of the pilot program to improve the known shipper program.

''(b) INDIRECT AIR CARRIERS.—

''(1) RANDOM INSPECTIONS.—The Under Secretary shall conduct random audits, investigations, and inspections of indirect air carrier facilities to determine if the indirect air carriers are meeting the security requirements of this title.

''(2) ENSURING COMPLIANCE.—The Under Secretary may take such actions as may be appropriate to promote and ensure compliance with the security standards established under this title.

''(3) NOTICE OF FAILURES.—The Under Secretary shall notify the Secretary of Transportation of any indirect air carrier that fails to meet security standards established under this title.

''(4) WITHDRAWAL OF SECURITY PROGRAM APPROVAL.—The Under Secretary may issue an order amending, modifying, suspending, or revoking approval of a security program of an indirect air carrier that fails to meet security requirements imposed by the Under Secretary is such failure threatens the security of air transportation or commerce. The affected indirect air carriers shall be given notice and the opportunity to correct its

noncompliance unless the Under Secretary determines that an emergency exists. Any indirect air carrier that has the approval of its security program amended, modified, suspended, or revoked under this section may appeal the action in accordance with procedures established by the Under Secretary under this title.

''(5) INDIRECT AIR CARRIER.—In this subsection, the term 'indirect air carrier' has the meaning given that term in part 1548 of title 49, Code of Federal Regulations.

''(c) CONSIDERATION OF COMMUNITY NEEDS.—In implementing air cargo security requirements under this title, the Under Secretary may take into considerations the extraordinary air transportation needs of small or isolated communities and unique operational characteristics of carriers that serve those communities.''.

(b) ASSESSMENT OF INDIRECT AIR CARRIERS PROGRAM.—The Under Secretary of Transportation for Security shall assess the security aspects of the indirect air carrier program under part 1548 of title 49, Code of Federal Regulations, and report the result of the assessment, together with any recommendations for necessary modifications of the program to the Senate Committee on Commerce, Science, and Transportation and Infrastructure within 60 days after the date of enactment of this Act. The Under Secretary may submit the report and recommendations in classified form.

(c) REPORT TO CONGRESS ON RANDOM AUDITS.—The Under Secretary of Transportation for Security shall report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure on random screening, audits, and investigations of air cargo security programs based on threat assessment and other relevant information. The report may be submitted in classified form.

(d) CONFORMING AMENDMENT.—The chapter analysis for chapter 449 of title 49, United States Code, as amended by section 3, is amended by adding at the end the following: ''44923. Air cargo security''.

SEC. 5. TRAINING PROGRAM FOR CARGO HANDLERS.

The Under Secretary of Transportation for Security shall establish a training program for any persons that handle air cargo to ensure that the cargo is properly handled and safe-guarded from security breaches.

SEC. 6. CARGO CARRIED ABOARD ALL-CARGO AIRCRAFT.

(a) IN GENERAL.—The Under Secretary of Transportation for Security shall establish a program requiring that air carriers operating all-cargo aircraft have an approved plan for the security of their air operations area, the cargo placed aboard such aircraft, and persons having access to their aircraft on the ground or in flight.

(b) PLAN REQUIREMENTS.—The plan shall include provisions for—

(1) security of each carrier's air operations areas and cargo acceptance areas at the airports served;

(2) background security checks for all employees with access to the air operations area;

(3) appropriate training for all employees and contractors with security responsibilities;

(4) appropriate screening of all flight crews and persons transported aboard all-cargo aircraft;

(5) security procedures for cargo placed on all-cargo aircraft as provided in section 44901(f)(1)(B) of title 49, United States Code; and

(6) additional measures deemed necessary and appropriately by the Under Secretary.

(c) CONFIDENTIAL INDUSTRY REVIEW AND COMMENT.—

(1) CIRCULATION OF PROPOSED PROGRAM.—The Under Secretary shall—

(A) propose a program under subsection (a) within 90 days after the date of enactment of this Act; and

(B) distribute the proposed program, on a confidential basis, to those air carriers and other employers to which the program will apply.

(2) COMMENT PERIOD.—Any person to which the proposed program is distributed under paragraph (1) may provide comments on the proposed program to the Under Secretary not more than 60 days after it was received.

(3) FINAL PROGRAM.—The Under Secretary of Transportation shall issue a final program under subsection (a) not later than 90 days after the last date on which comments may be provided under paragraph (2). The final program shall contain time frames for the plans to be implemented by each air carrier or employer to which it applies.

(4) SUSPENSION OF PROCEDURAL NORMS.—Neither chapter 5 of title 5, United States Code, nor the Federal Advisory Committee Act (5 U.S.C. App.) shall apply to the program required by this section.

SEC. 7. REPORT ON PASSENGER PRESCREENING PROGRAM.

(a) IN GENERAL.—Within 90 days after the date of enactment of this Act, the Secretary of Homeland Security, after consultation with the Attorney General, shall submit a report in writing to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure on the potential impact of the Transportation Security Administration's proposed Computer Assisted Passenger Prescreening system, commonly known as CAPPS II, on the privacy and civil liberties of United States Citizens.

(b) SPECIFIC ISSUES TO BE ADDRESSED.—The report shall address the following:

(1) Whether and for what period of time data gathered on individual travelers will be retained, who will have access to such data, and who will make decisions concerning access to such data.

(2) How the Transportation Security Administration will treat the scores assigned to individual travelers to measure the likelihood they may pose a security threat, including how long such scores will be retained and whether and under what circumstances they may be shared with other governmental, non-governmental, or commercial entities.

(3) The role airlines and outside vendors or contractors will have in implementing and operating the system, and to what extent will they have access, or the means to obtain access, to data, scores, or other information generated by the system.

(4) The safeguards that will be implemented to ensure that data, scores, or other information generated by the system will be used only as officially intended.

(5) The procedures that will be implemented to mitigate the effect of any errors, and what procedural recourse will be available to passengers who believe the system has wrongly barred them from taking flights.

(6) The oversight procedures that will be implemented to ensure that, on an ongoing basis, privacy and civil liberties issues will continue to be considered and addressed with high priority as the system is installed, operated and updated.

SEC. 8. MODIFICATION OF REQUIREMENTS REGARDING TRAINING TO OPERATE AIRCRAFT.

(a) IN GENERAL.—Section 44939 of title 49, United States Code, is amended to read as follows:

''§ 44939. Training to operate certain aircraft

''(a) IN GENERAL.—

''(1) WAITING PERIOD.—A person subject to regulation under this part may provide training in the United States in the operation of an aircraft to an individual who is an alien (as defined in section 101(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(3))) or to any other individual specified by the United Secretary of Homeland Security for Border and Transportation Security only if—

''(A) that person has notified the Under Secretary that the individual has requested such training and furnished the Under Secretary with that individual's identification in such form as the Under Secretary may require; and

''(B) the Under Secretary has not directed, within 30 days after being notified under subparagraph (A), that person not to provide the requested training because the Under Secretary has determined that the individual presents a risk to aviation security or national security.

''(2) NOTIFICATION-ONLY INDIVIDUALS.—

''(A) IN GENERAL.—The requirements of paragraph (1) shall not apply to an alien individual who holds a visa issued under title I of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.) and who—

''(i) has earned a Federal Aviation Administration type rating in an aircraft or has undergone type-specific training, or

''(ii) holds a current pilot's license or foreign equivalent commercial pilot's license that permits the person to fly an aircraft with a maximum certificated takeoff weight of more than 12,500 pounds as defined by the International Civil Aviation Organization in Annex 1 to the Convention on International Civil Aviation,

if the person providing the training has notified the Under Secretary that the individual has requested such training and furnished the Under Secretary with that individual's via information.

''(B) EXCEPTION.—Subparagraph (A) does not apply to an alien individual whose airman's certificate has been suspended or revoked under procedures established by the Under Secretary.

''(3) EXPEDITED PROCESSING.—The waiting period under paragraph (1) shall be expedited for an individual who—

''(A) has previously undergone a background records check by the Foreign Terrorist Tracking Task Force;

''(B) is employed by a foreign air carrier certified under part 129 of title 49, Code of Federal Regulations, that has a TSA 1546 approved security program and who is undergoing recurrent flight training;

''(C) is a foreign military pilot endorsed by the United States Department of Defense for flight training; or

''(D) who has unescorted access to a secured area of an airport designated under section 44936(a)(1)(A)(ii).

''(4) INVESTIGATION AUTHORITY.—In order to determine whether an individual requesting training described in paragraph (1) presents a risk to aviation security or national security the Under Secretary is authorized to use the employment investigation authority provided by section 44936(a)(1)(A) for individuals applying for a position in which the individual has unescorted access to a secured area of an airport designated under section 44936(a)(1)(A)(ii).

''(5) FEE.—

''(A) IN GENERAL.—The Under Secretary may assess a fee for an investigation under this section, which may not exceed $100 per individual (exclusive of the cost of transmitting fingerprints collected at overseas facilities) during fiscal year 2003 and 2004. For fiscal year 2005 and thereafter, the Under Secretary may adjust the maximum amount of

the fee to reflect the costs of such an investigation.

''(B) OFFSET.—Nothwithstanding section 3302 of title 31, United States Code, any fee collected under this section—

''(i) shall be credited to the account in the Treasury from which the expenses were incurred and shall be available to the Under Secretary for those expenses; and

''(ii) shall remain available until expended.

''(b) INTERRUPTION OF TRAINING.—If the Under Secretary, more than 30 days after receiving notification under subsection (a)(1)(A) from a person providing training described in subsection (a)(1) or at any time after receiving notice from such a person under subsection (a)(2)(A), determines that an individual receiving such training presents a risk to aviation or national security, the Under Secretary shall immediately notify the person providing the training of the determination and that person shall immediately terminate the training.

''(c) COVERED TRAINING.—For purposes of subsection (a), the term 'training'—

''(1) includes in-flight training, training in a simulator, and any other form or aspect of training; but

''(2) does not include classroom instruction (also known as ground school training), which may be provided during the 30-day period described in subsection (a)(1)(B).

''(d) INTERAGENCY COOPERATION.—The Attorney General, the Director of Central Intelligence, and the Administrator of the Federal Aviation Administration shall cooperate with the Under Secretary in implementing this section.

''(e) SECURITY AWARENESS TRAINING FOR EMPLOYEES.—The Under Secretary shall require flight schools to conduct a security awareness program for flight school employees, and for certified instructors who provide instruction for the flight school but who are not employees thereof, to increase their awareness of suspicious circumstances and activities of individuals enrolling in or attending flight school.''.

''(b) PROCEDURES.—

''(1) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Under Secretary of Homeland Security for Border and Transportation Security shall promulgate an interim final rule to implement section 44939 of title 49, United States Code, as amended by subsection (a).

''(2) USE OF OVERSEAS FACILITIES.—In order to implement section 44939 of title 49, United States Code, as amended by subsection (a), United States Embassies and Consulates that possess appropriate fingerprint collection equipment and personnel certified to capture fingerprints shall provide fingerprint services to aliens covered by that section if the Under Secretary requires fingerprints in the administration of that section, and shall transmit the fingerprints to the Under Secretary or other agency designated by the Under Secretary. The Attorney General and the Secretary of State shall cooperate with the Under Secretary in carrying out this paragraph.

(3) USE OF UNITED STATES FACILITIES.—If the Under Secretary requires fingerprinting in the administration of section 44939 of title 49, United States Code, the Under Secretary may designate locations within the United States that will provide fingerprinting services to individuals covered by that section.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on the effective date of the interim final rule required by subsection (b)(1).

(d) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Homeland Security shall submit to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure a report on the effectiveness of the activities carried out under section 44939 of title 49, United States Code, in reducing risks to aviation security and national security.

SEC. 9. PASSENGER IDENTIFICATION.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Under Secretary of Transportation for Security, in consultation with the Administrator of the Federal Aviation Administration, appropriate law enforcement, security, and terrorism experts, representatives of air carriers and labor organizations representing individuals employed in commercial aviation, shall develop guidelines to provide air carriers guidance for detecting false or fraudulent passenger identification. The guidelines may take into account new technology, current identification measures, training of personnel, and issues related to the types of identification available to the public. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to any meeting held pursuant to this subsection.

(b) AIR CARRIER PROGRAMS.—Within 60 days after the Under Secretary issues the guidelines under subsection (a) in final form, the Under Secretary shall provide the guidelines to each air carrier and establish a joint government and industry council to develop recommendations on how to implement the guidelines.

(c) REPORT.—The Under Secretary of Transportation for Security shall report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure within 1 year after the date of enactment of this Act on the actions taken under this section.

SEC. 10. PASSENGER IDENTIFICATION VERIFICATION.

(a) PROGRAM REQUIRED.—The Under Secretary of Transportation for Security may establish and carry out a program to require the installation and use at airports in the United States of the identification verification technologies the Under Secretary considers appropriate to assist in the screening of passengers boarding aircraft at such airports.

(b) TECHNOLOGIES EMPLOYED.—The identification verification technologies required as part of the program under subsection (a) may include identification scanners, biometrics, retinal, iris, or facial scanners, or any other technologies that the Under Secretary considers appropriate for purposes of the program.

(c) COMMENCEMENT.—If the Under Secretary determines that the implementation of such a program is appropriate, the installation and use of identification verification technologies under the program shall commence as soon as practicable after the date of that determination.

SEC. 11. BLAST-RESISTANT CARGO CONTAINER TECHNOLOGY.

Not later than 6 months after the date of enactment of this Act, the Under Secretary of Transportation for Security, and the Administrator of the Federal Aviation Administration, shall jointly submit a report to Congress that contains—

(1) an evaluation of blast-resistant cargo container technology to protect against explosives in passenger luggage, and cargo;

(2) an examination of the advantages associated with the technology in preventing damage and loss of aircraft from terrorist action and any operational impacts which may result from use of the technology (particularly added weight and costs);

(3) an analysis of whether alternatives exist to mitigate the impacts described in paragraph (2) and options available to pay for the technology; and

(4) recommendations on what further action, if any, should be taken with respect to the use of blast-resistant cargo containers on passenger aircraft.

SEC. 12 ARMING PILOTS AGAINST TERRORISM.

(a) FINDINGS AND PURPOSE.—

(1) FINDINGS.—Congress makes the following findings:

(A) During the 107th Congress, both the Senate and the House of Representatives overwhelmingly passed measures that would have armed pilots of cargo aircraft.

(B) Cargo aircraft do not have Federal air marshals, trained cabin crew, or determined passengers to subdue terrorists.

(C) Cockpit doors on cargo aircraft, if present at all, largely do not meet the security standards required for commercial passenger aircraft.

(D) Cargo aircraft vary in size and many are larger and carry larger amounts of fuel than the aircraft hijacked on September 11, 2001.

(E) Aircraft cargo frequently contains hazardous material and can contain deadly biological and chemical agents and quantities of agents that caused communicable diseases.

(F) Approximately 12,000 of the Nation's 90,000 commercial pilots serve as pilots and flight engineers on cargo aircraft.

(G) There are approximately 2,000 cargo flights per day in the United States, many of which are loaded with fuel for outbound international travel or are inbound from foreign airports not secured by the Transportation Security Administration.

(H) aircraft transporting cargo pose a serious risk as potential terrorist targets that could be used as weapons of mass destruction.

(I) Pilots of cargo aircraft deserve the same ability to protect themselves and the aircraft they pilot as other commercial airline pilots.

(J) Permitting pilots of cargo aircraft to carry firearms creates an important last line of defense against a terrorist effort to commandeer a cargo aircraft.

(2) SENSE OF CONGRESS.—It is the sense of Congress that a member of a flight deck crew of a cargo aircraft should be armed with a firearm to defend the cargo aircraft against an attack by terrorists that could result in the use of the aircraft as a weapon of mass destruction or for other terrorist purposes.

(b) ARMING CARGO PILOTS AGAINST TERRORISM.—Section 44921 of title 49, United States Code, is amended—

(1) by striking ''passenger'' in subsection (a) each place that it appears;

(2) by striking ''or,'' and all that follows in subsection (k)(2) and inserting ''or any other flight deck crew member.''; and

(3) by adding at the end of subsection (k) the following:

''(3) ALL-CARGO AIR TRANSPORTATION.—For the purposes of this section, the term air transportation includes all-cargo air transportation.''.

(d) IMPLEMENTATION.—

(1) TIME FOR IMPLEMENTATION.—The training of pilots as Federal flight deck officers required in the amendments made by subsection (b) shall begin as soon as practicable and no later than 90 days after the date of enactment of this Act.

(2) EFFECT ON OTHER LAWS.—The requirements of subparagraph (1) shall have no effect on the deadlines for implementation contained in section 44921 of title 29, United States Code, as in effect on the day before the date of enactment of this Act.

SEC. 13. REPORT ON DEFENDING AIRCRAFT FROM MAN-PORTABLE AIR DEFENSE SYSTEMS (SHOULDER-FIRED MISSILES).

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act,

the Secretary of Homeland Security shall issue a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure on how best to defend turbo and jet passenger aircraft from Man-Portable Air Defense Systems (shoulder-fired missiles).

(b) ISSUES TO BE ADDRESSED.—The report shall include an analysis of—

(1) actions taken to date, countermeasures, risk mitigation, and other activities;

(2) existing military countermeasure systems and how those systems might be adapted to commercial aircraft applications;

(3) means of reducing the costs of military countermeasure system by modifying them for use on commercial aircraft; and

(4) the extent of the threat and the need for countermeasures.

(c) REPORT FORMAT.—The report may be submitted in classified form.

SEC. 14. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary of Homeland Security such sums as may be necessary to carry out this Act and sections 44901(f), 44922, and 44923 of title 49, United States Code, for fiscal years 2004 through 2008.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. COLEMAN. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, May 8, 2003 at 9:45 a.m. in closed session to mark up the Department of Defense Authorization Act for Fiscal Year 2004.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. COLEMAN. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, May 8, 2003, at 9:30 a.m. on the nomination of Annette Sandburg to be Administrator of the Federal Motor Carrier Safety Administration in SR–253.

COMMITTEE ON FINANCE

Mr. COLEMAN. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet in open executive session during the session on Thursday, May 8, 2003, at 9:30 a.m., to mark up a substitute for S. 2, the Jobs and Growth Tax Acts of 2003.

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

COMMITTEE ON THE JUDICIARY

Mr. COLEMAN. Mr. President, I ask unanimous on the Judiciary be authorized to meet to conduct a markup on Thursday, May 8, 2003, at 9:30 a.m. in Dirksen Room 226.

I. Nominations: Carolyn B. Kuhl to be U.S. Circuit Judge for the Ninth Circuit; John G. Roberts, Jr., to be U.S. Circuit Judge for the District of Columbia Circuit; David G. Campbell to be U.S. District Judge for the District of Arizona; S. Maurice Hicks, Jr., to be U.S. District Judge for the Western District of Louisiana; William Emil Moschella to be Assistant Attorney General, Office of Legislative Affairs, U.S. Department of Justice; and David B. Rivkin to be Commissioner for the Foreign Claims Settlement Commission.

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

COMMITTEE ON THE JUDICIARY

Mr. COLEMAN. I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on ''Department of Justice Nominations'' on Thursday, May 8, 2003, at 2 p.m., in the Dirksen Senate Office Building, Room 226.

Panel I: [Senators].

Panel II: Robert D. McCallum, to be Associate Attorney General, United States Department of Justice; Peter D. Keisler, to be Assistant General, Civil Division, United States Department of Justice.

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

COMMITTEE ON THE JUDICIARY

Mr. DEWINE. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a markup on Thursday, May 8, 2003, at 2:05 p.m., in The President's Room, S 216, The Capitol.

I. Nominations: Carolyn B. Kuhl, to be U.S. Circuit Judge for the Ninth Circuit; John G. Roberts, Jr., to be U.S. Circuit Judge for the District of Columbia Circuit; Consuelo Maria Callahan, to be U.S. Circuit Judge for the Ninth Circuit; Michael Chertoff, to be U.S. Circuit Judge for the Third Circuit; David G. Campbell, to be U.S. District Judge for the District of Arizona; S. Maurice Hicks, Jr., to be U.S. District Judge for the Western District of Louisiana; L. Stott Coogler, to be U.S. District Judge for the Northern District of Alabama; William Emil Moschella, to be Assistant Attorney General, Office of Legislative Affairs, U.S. Department of Justice; Leonardo M. Rapadas to be U.S. Attorney for the District of Guam.

II Bills: S. 878, a bill to authorize an additional permanent judgeship in the District of Idaho.

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

COMMITTEE ON THE JUDICIARY

Mr. DEWINE. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on ''Department of Justice Nominations'' on Thursday, May 8, 2003, at 3:30 p.m. in the Dirksen Senate Office Building Room 226.

Panel I: The Honorable ZELL MILLER United States Senator [D–GA]; The Honorable SAXBY CHAMBLISS United States Senator [R–GA].

Panel II: Robert D. McCallum to be Associate Attorney General, United States Department of Justice; Peter D. Keisler to be Assistant Attorney General, Civil Division, United States Department of Justice.

The PRESIDING OFFICER. Without objection it is so ordered.

SUBCOMMITTEE ON CLEAN AIR, CLIMATE CHANGE, AND NUCLEAR SAFETY

Mr. COLEMAN. Mr. President, I ask unanimous consent that the Subcommittee on Clean Air, Climate Change, and Nuclear Safety be authorized to meet on Thursday, May 8, 2003 at 9:30 a.m. to conduct a hearing regarding S. 485, the Clear Skies Act.

The meeting will be held in SD 406.

The PRESIDING OFFICER. Without objection it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. FEINGOLD. Mr. President, I ask unanimous consent that Alex Busansky, a detailee with my office from the Department of Justice, be granted floor privileges for the duration of this Congress.

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

UNANIMOUS CONSENT AGREEMENT—RECONCILIATION

Mr. MCCONNELL. Mr. President, I ask unanimous consent that on Monday, at a time to be determined by the majority leader, after consultation with the Democratic leader, the Senate proceed to the Senate reconciliation bill; provided further that no more than 1 hour per side of the statutory time limit be consumed during Monday's session and that no amendments be in order during Monday's session; finally, that this order be vitiated if this bill is not available on Monday.

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

CONDEMNING THE PUNISHMENT OF EXECUTION BY STONING

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 78, S. Con. Res. 26.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 26) condemning the punishment of execution by stoning as a gross violation of human rights, and for other purposes.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the resolution and the preamble be agreed to; that the motion to reconsider be laid upon the table, with no intervening action or debate; and that any statements relating to the concurrent resolution be printed in the RECORD.

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

The concurrent resolution (S. Con. Res. 26) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 26

Whereas execution by stoning is an exceptionally cruel form of punishment that violates internationally accepted standards of human rights, including those set forth in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment;

Whereas women around the world continue to be targeted disproportionately for cruel, discriminatory, and inhuman punishments by governments that refuse to protect equally the rights of all their citizens;

Whereas the brutal sentence of execution by stoning is pronounced in many countries on women who have been accused of adultery, a charge that is brought even against victims of coerced prostitution or rape;

Whereas in some places execution by stoning has been invoked as punishment for ''blasphemy,'' thereby suppressing religious freedom and diversity and stifling political dissent;

Whereas, in July 2002, Amnesty International referred to execution by stoning as ''a method specifically designed to increase the victim's suffering'';

Whereas, in 2002, the European Union, the Secretary General of the Council of Europe, the Government of Australia, the Minister of Foreign Affairs and Trade of New Zealand, the President of Mexico, the Congress of Deputies of Spain, and other world leaders all condemned execution by stoning and called for clemency for individuals sentenced to stoning; and

Whereas, according to the Country Reports on Human Rights Practices of the Department of State, the sentence of execution by stoning continues to be imposed in several countries: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) condemns the practice of execution by stoning as a gross violation of human rights and appeals to the international community to end the practice;

(2) requests the President formally to communicate this resolution to governments that permit this cruel punishment and to urge the termination of execution by stoning; and

(3) requests the President to direct the Secretary of State to work with the international community to promote adherence to international standards of human rights and repeal laws that permit execution by stoning.

AUTHORIZING USE OF THE CAPITOL GROUNDS

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H. Con. Res. 53 and H. Con. Res. 96, en bloc.

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

The clerk will report the concurrent resolutions by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 53) authorizing the use of the Capitol Grounds for the Greater Washington Soap Box Derby.

A concurrent resolution (H. Con. Res. 96) authorizing the use of the Capitol Grounds for the National Peace Officers' Memorial Service.

There being no objection, the Senate proceeded to consider the concurrent resolutions, en bloc.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the concurrent resolutions be agreed to, en bloc, and that the motions to reconsider be laid upon the table, en bloc, with no intervening action or debate.

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

The concurrent resolutions (H. Con. Res. 53 and H. Con. Res. 96) were agreed to, en bloc.

AUTHORIZING PRINTING OF BIOGRAPHICAL DIRECTORY

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H. Con. Res. 138, which is at the desk.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 138) authorizing the printing of the Biographical Directory of the United States Congress, 1774–2005.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to and the motion to reconsider be laid upon the table, with no intervening action or debate.

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

The concurrent resolution (H. Con. Res. 138) was agreed to.

REPRESENTATION BY SENATE LEGAL COUNSEL

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 134, which was submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 134) to authorize representation by the Senate Legal Counsel in Newdow v. Eagen, et al.

There being no objection, the Senate proceeded to consider the resolution.

Mr. MCCONNELL. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to this matter be printed in the RECORD.

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

The resolution (S. Res. 134) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 134

Whereas, S. Res. 343, 107th Congress, authorizes the Senate Legal Counsel to represent the Secretary of the Senate and the Senate Financial Clerk in the case of *Newdow* v. *Eagen, et al.*, Case No. 1:02CV01704, pending in the United States District Court for the District of Columbia;

Whereas, additional defendants have been named in that case; and

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(1), the Senate may direct its counsel to represent officers and employees of the Senate in civil actions with respect to their official responsibilities: Now, therefore, be it

Resolved That the Senate Legal Counsel is authorized to represent all Senate defendants in the case of *Newdow* v. *Eagen, et al.*

HONORING JAMES A. JOHNSON

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 137, submitted earlier today by Senators FRIST, DASCHLE, STEVENS, KENNEDY, and others.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 137) honoring James A. Johnson, Chairman of the Board of Trustees of the John F. Kennedy Center for the Performing Arts.

There being no objection, the Senate proceeded to consider the resolution.

Mrs. FEINSTEIN. Mr. President, I rise today to join my colleagues, Senators FRIST, DASCHLE, STEVENS, and KENNEDY, to cosponsor a resolution honoring a very distinguished American who I am proud to call my very dear friend—Mr. James Johnson.

Minnesota has produced some extraordinary political individuals—Harold Stassen, Hubert Humphrey, Eugene McCarthy and Walter Mondale, among others. But among those who have never sought public office, but are still devoted to public policy and the power of good government, Jim Johnson stands out.

Born in the small town of Benson, Jim Johnson was exposed at an early age to Minnesota politics, where his father, Alfred Ingvald, was a leading figure in the Democratic–Farmer–Labor Party, serving for 2 years as speaker of the Minnesota House.

A natural politician, Jim was elected student body president at the University of Minnesota when only a sophomore, then went to Africa on a grant from the Ford Foundation, and earned a masters degree from Princeton University's Woodrow Wilson School of Government.

After serving on his Senate staff, Jim served as Executive Assistant to Vice President Walter Mondale and served as campaign director of the Vice President's 1984 bid for the White House.

In the private sector, Jim founded Public Strategies, with Richard Holbrooke, and later served as a managing director at Lehman Brothers.

Most notably, he also served as chairman and CEO of Fannie Mae, with the goal of allowing more Americans to fulfill their dreams of home ownership, and then as the chairman of the Kennedy Center.

For the last 7 years, Jim Johnson has done a remarkable job at the center.

During his tenure, Congress approved a $650 million construction project that will include two new buildings and a large plaza, to better connect the center with the rest of the city.

He has made the center more accessible to the public, thanks to the free 6 p.m. performances that are held every day.

And who could forget last year's superb tribute to the America master, Stephen Sondheim?

At the same time, the Kennedy Center Awards have become nationally recognized and broadcast on prime time TV.

Not only has Jim Johnson worked tirelessly on behalf of the Kennedy Center, he has also been one of the center's most generous benefactors.

There is an old story about Jim Johnson, when he and former President Clinton were in their mid 20s and trying to gain their footing in the political arena.

What was very clear to everyone who knew the two of them back then: both had a real shot of becoming President of the United States.

Well, Jim Johnson never took the path of elected office. But he went on to serve our Nation with great distinction, in the public and the private sector, and he still has so much left to give. Wherever he goes and whatever he does, Jim Johnson will surely leave an indelible mark.

His wife Maxine and their son Alfred are immensely proud of this extraordinary man, just as I consider myself so very fortunate to call him my friend.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the resolution and preamble be agreed to, en bloc, the motion to reconsider be laid upon the table, that any statements relating thereto be printed in the RECORD, without intervening action or debate.

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

The resolution (S. Res. 137) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 137

Whereas James A. Johnson has served with distinction since 1996 as the Chairman of the Board of Trustees of the John F. Kennedy Center for the Performing Arts, which is the national center for the performing arts;

Whereas under the leadership of Jim Johnson, the Kennedy Center has earned impressive renown, and become one of the finest performing arts institutions in the Nation and around the world;

Whereas Jim Johnson initiated free public performances each evening on the Millennium Stage at the Kennedy Center, and these performances have now included a total of 25,000 performers and reached an audience of 1,500,000 persons since 1997;

Whereas the arts education programs of the Kennedy Center have been significantly expanded under the inspired leadership of Jim Johnson;

Whereas Jim Johnson has launched a major renovation and construction project to improve the physical structure of the Kennedy Center and enrich the experience of all who visit and attend performances; and

Whereas Jim Johnson deserves the thanks of a grateful Nation for his leadership at the Kennedy Center, and in bringing new vitality to the cultural heritage of our Nation: Now, therefore, be it

Resolved, That the Senate—

(1) expresses its appreciation for all that Jim Johnson has accomplished; and

(2) commends Jim Johnson for his extraordinary achievements as Chairman of the John F. Kennedy Center for the Performing Arts.

APPOINTMENTS

The PRESIDING OFFICER. The Chair announces, on behalf of the Democratic Leader, pursuant to the provisions of S. Res. 105, adopted April 13, 1989, as amended by S. Res. 149, adopted October 5, 1993, as amended by Public Law 105–275, further amended by S. Res. 75, adopted March 25, 1999, and S. Res. 383, adopted October 27, 2000, the appointment of the following Senators to serve as members of the Senate National Security Working Group for the 108th Congress: Senator ROBERT C. BYRD of West Virginia (Democratic Administrative Co-Chairman); Senator CARL LEVIN of Michigan (Democratic Co-Chairman); Senator JOSEPH R. BIDEN, JR. of Delaware (Democratic Co-Chairman); Senator EDWARD M. KENNEDY of Massachusetts; Senator PAUL S. SARBANES of Maryland; Senator JOHN F. KERRY of Massachusetts; Senator BYRON L. DORGAN of North Dakota; Senator RICHARD J. DURBIN of Illinois; Senator BILL NELSON of Florida.

The Chair, on behalf of the Vice President, pursuant to 22 U.S.C. 276d–276g, as amended, appoints the following Senators as members of the Senate Delegation to the Canada-U.S. Interparliamentary Group during the First Session of the 108th Congress, to be held in Canada, May 15–19, 2003: Senator PATRICK J. LEAHY of Vermont; Senator DANIEL K. AKAKA of Hawaii.

ORDERS FOR FRIDAY, MAY 9, 2003

Mr. MCCONNELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 a.m., Friday, May 9. I further ask that following the prayer and the pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and that the majority leader then be recognized to speak in morning business.

Further, I ask unanimous consent that following those remarks, the Senate then resume consideration of S. 14, the energy bill.

The PRESIDING OFFICER. Is there objection?

The Senator from Nevada.

Mr. REID. Prior to our closing tonight, I want to lay on the record that I think we have had a pretty good week this week. There has been a lot of work done by both sides, and we have accomplished a great deal. Today was an indication of what can be done if we work together.

I know people in the majority feel strongly about Miguel Estrada and Priscilla Owen. I have to say the record this Senate has established regarding the approval of judges is tremendous. Today we approved the 124th judge during the administration of this President Bush. That is pretty good.

I hope those Senators who feel so intently about Priscilla Owen and Miguel Estrada—it is certainly their right to feel so strongly, as people on this side feel strongly regarding opposition of the two judges—also recognize the number of judges that have been approved. We think we have done a good job. In fact, this week I asked my staff how many we approved. I think it was four or five judges even this week. So we are moving right along.

I have no objection to the unanimous consent request of the distinguished majority whip.

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

Mr. MCCONNELL. Mr. President, let me say that the Senator from Nevada is certainly correct. A number of judges have been confirmed. But also this Senate and this Congress will be remembered, apparently—we will see at the end of the Congress—apparently be remembered as the first Senate since 1968 to kill a nomination through the use of the filibuster.

There have been occasional cloture motions over the years, but they have been used to advance the completion of a nomination—not to stop it—with the exception of Fortas in 1968, which was right before a Presidential election. We are not right before a Presidential election. I think this unfortunate precedent that has been set is one that we have had much discussion about on the floor and will be regretted by Senators on both sides of the aisle through the years.

PROGRAM

Mr. MCCONNELL. For the information of all Senators, tomorrow morning the Senate will resume debate on the energy bill. The majority leader will offer an amendment related to ethanol upon going to the bill tomorrow morning. There will be no rollcall votes tomorrow, but I encourage Senators to come to the floor to debate the amendment.

Next week, on Monday, the Senate will take up the reconciliation bill. No rollcall votes will occur on Monday. However, Members are encouraged to make their opening statements during that day. The majority leader would like to remind all Senators that next week is expected to be a busy legislative week, and Members should schedule themselves accordingly. The next rollcall vote will occur on Tuesday, and Members will be notified when that vote is scheduled.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. MCCONNELL. If there is no further business to come before the Senate, I ask the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:57 p.m., adjourned until Friday, May 9, 2003, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 8, 2003:

THE JUDICIARY

MICHAEL W. MOSMAN, OF OREGON, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF OREGON, VICE ROBERT E. JONES, RETIRED.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be brigadier general

COL. BRUCE E. BURDA, 0000

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. ANTHONY R. JONES, 0000

IN THE NAVY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be captain

BRADFORD E. ABLESON, 0000
ROBERT P. BELTRAM, 0000
LEWIS E. BROWN, 0000
ROBERT D. CROSSAN, 0000
STEPHEN T. GRAGG, 0000
GERALD L. GRAY, 0000
JOHNNY W. P. POOLE, 0000
RICHARD A. PUSATERI, 0000
GEORGE A. RIDGEWAY, 0000
OLRIC R. WILKINS, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be captain

CHRISTOPHER A. BARNES, 0000
PAUL B. BECKER, 0000
PAUL F. BURKEY, 0000
ROBERT S. EWIGLEBEN, 0000
THOMAS B. LUKASZEWICZ, 0000
ERNEST B. MARKHAM, 0000
ROBERT P. MARSTON, 0000
MAUREEN A. NEVILLE, 0000
RONALD G. RICE, 0000
SCOTT M. STANLEY, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be captain

THOMAS M. BALESTRIERI, 0000
BRENDA G. BARTLEY, 0000
ANN BOBECK, 0000
CHARLES H. BRAKHAGE, 0000
THOMAS J. CHOHANY, 0000
ALBERT M. CHURILLA, 0000
SALLY E. COOK, 0000
FLORENCE M. CROSBY, 0000
RONALD A. DEIKE, 0000
CHRISTINE R. DIMARCO, 0000
GREGORY P. ERNST, 0000
RAYNARD K. S. FONG, 0000
CHARLES R. HARRIS, 0000
GREGORY A. HARRIS, 0000
NANCY G. HIGHT, 0000
PHILIP M. HOLMES, 0000
GREGORY M. HUET, 0000
RONALD D. LUKA, 0000
JAMES W. MITCHELL, 0000
TERRY J. MOULTON, 0000
TYRONE D. NAQUIN, 0000
DEBORAH E. NELSON, 0000
DAVID F. NERI, 0000
JAMES P. NORTON, 0000
ELIZABETH A. PEAKE, 0000
DONALD R. PLOMBON, 0000
JOHN R. POMERVILLE, 0000
JOHN R. RUMBAUGH, 0000
ALAN J. RUPRECHT JR., 0000
MARTHA M. SLAUGHTER, 0000
ANTOINETTE A. WHITMEYER, 0000
ROBERT S. WRIGHT, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be captain

LISA L. ARNOLD, 0000
JUANITA BUDA, 0000
DONNA L. CAIN, 0000
LORI A. CARLSON, 0000
MARY W. CHAFFEE, 0000
MIN S. CHUNGPARK, 0000
BRIAN S. DAWSON, 0000
RONALD G. FORBUS, 0000
JAMES R. FRALEY, 0000
MARY I. GREENWOOD, 0000
MARTHA J. HANSEN, 0000
KEVIN W. HAWS, 0000
SUSAN E. HERRON, 0000
JOHN W. LARUE, 0000
MARCIA K. LYONS, 0000
RICK A. MADISON, 0000
SARA M. MARKS, 0000
COLLEEN O. MCLARNON, 0000
SHAUNEEN M. MIRANDA, 0000
WILLIAM T. MOCK, 0000
DAVID NORMAN, 0000
WANDA C. RICHARDS, 0000
SANDRA K. SAUNDERS, 0000
ELIZABETH C. SAVAGE, 0000
SUSAN M. SCOTT, 0000
TOMMY C. STEWART, 0000
DIANE M. STRENN, 0000
LYNDA E. WALTERS, 0000
RICHARD J. WESTPHAL, 0000
PEGGY W. WILLIAMS, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be captain

SCOTT W. BAILEY, 0000
LAWRENCE R. BROWN, 0000
DAVID W. BRUMFIELD, 0000
ROBERT K. CARTER, 0000
MICHAEL F. CORNING, 0000
PETER E. DAHL, 0000
JAMES D. DAVIS, 0000
BERNARD D. DUNN, 0000
MICHAEL K. FABISH, 0000
VINCENT L. GRIFFITH, 0000
PARKE L. GUTHNER, 0000
CLAUDE R. HUSSON III, 0000
BRUCE N. LEMLER, 0000
GLENN C. ROBILLARD, 0000
MICHAEL W. ROBINSON, 0000
DOUGLAS H. ROSE, 0000
EMIL E. SPILLMAN, 0000
FRANCIS X. TISAK, 0000
CYNTHIA R. VARNER, 0000
RAYMOND A. WALKER, 0000
SAMUEL N. WALKER, 0000
KEVIN R. WHEELOCK, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be captain

MATTHEW R. BEEBE, 0000
MICHAEL S. BOWERS, 0000
DAVID R. COZIER, 0000
THOMAS M. CUNNINGHAM, 0000
ANTHONY V. ERMOVICK, 0000
WILLIAM G. GRIP, 0000
CHRISTOPHER J. HONKOMP, 0000
PETER B. MELIN, 0000
DOUGLAS G. MORTON, 0000
THOMAS C. NICHOLAS, 0000
KELLY J. SCHMADER, 0000
RALPH G. SNOW, 0000
PAUL A. SOARES, 0000
JAMES F. STADER, 0000
STEVEN M. WIRSCHING, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be captain

EVAN A. APPLEQUIST, 0000
WAYNE S. BARKER, 0000
CHRISTOPHER J. COBB, 0000
JOHN A. DAY JR., 0000
DIANE L. DOYLE, 0000
STEVEN C. FISHER, 0000
GERALD T. GRANT, 0000
MILTON J. GRISHAM JR., 0000
BENJAMIN D. HUNTER II, 0000
STEPHEN IANNAZZO, 0000
RONALD L. JEFFREY, 0000
KATHLEEN S. KENNY, 0000
BARTON H. KNOX, 0000
MARTIN J. KOOP, 0000
MICHAEL T. LEWIS, 0000
DONAL C. MCGONEGAL, 0000
MATTHEW A. MCNALLY, 0000
VLASTA M. MIKSCH, 0000
MICHAEL F. MILOS, 0000
HARVEY D. MOSS, 0000
GLENN A. MUNRO III, 0000
MARY E. NEILL, 0000
JOSEPH V. OLSZOWKA, 0000
NATHAN R. PATTERSON, 0000
TIMOTHY M. RYBA, 0000
PAUL C. SHICK, 0000
STEVEN L. SIDOFF, 0000
JAMES M. SOLOMON, 0000
JAMES M. STROTHER, 0000
FRANK R. TRAFICANTE JR., 0000
DOUGLAS J. S. TRENOR, 0000
KEVIN L. WEBER, 0000
DAVID K. WHITE, 0000
DONALD A. WORM JR., 0000
RICHARD D. WRIGHT, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be captain

WILLIAM B. ADAMS, 0000
CHRISTOPHER L. AMLING, 0000
BRUCE C. BAKER, 0000
DONALD R. BENNETT, 0000
JIMMY D. BOWEN, 0000
ROBERT W. BRINSKO, 0000
ROBERT BUCKLEY, 0000
TERESA M. BUESCHER, 0000
ROBERT F. BUTLER, 0000
JOHN M. CHANDLER, 0000
ROBERT J. CHASTANET, 0000
WILLIAM B. COGAR, 0000
JOSE C. DE LA PENA, 0000
ELLEN C. DENIGRIS, 0000
RICHARD DOHODA, 0000
TERRANCE K. EGLAND, 0000
PAUL H. EPHRON, 0000
FREDERICK O. FOOTE, 0000
DANIEL E. FREDERICK, 0000
ROBERT A. FRICK, 0000
JAMES F. GALLAGHER, 0000
BRUCE L. GILLINGHAM, 0000
ROBERT B. GILLIS, 0000
KEVIN L. GREASON, 0000
GUERARD P. GRICE, 0000
TAMARA M. GRIGSBY, 0000
JOHN P. GROSSMITH, 0000
FRED R. GUYER, 0000
CHARLES HAMES, 0000
AMY P. HAUCK, 0000
ROBERT B. HEATON, 0000
ANITA H. HICKEY, 0000
TIMOTHY S. HINMAN, 0000
WILLIAM J. HOCTER, 0000
JOHN R. HOLMAN, 0000
KERRY E. HUNT, 0000
WAYNE S. INMAN, 0000
KENNETH J. IVERSON, 0000
RALPH C. JONES, 0000
PAUL C. KELLEHER, 0000
DOUGLAS P. KEMPF, 0000
DAVID F. KLINK, 0000
CHRISTOPHER J. KOWALSKY, 0000
JEFFREY C. KUHLMAN, 0000
DAVID H. LASSETER, 0000
LARRY R. LAUFER, 0000
BRUCE R. LAVERTY, 0000
KEVIN G. MAHAFFEY, 0000
MICHAEL H. MAHER, 0000
LEE R. MANDEL, 0000
ROBERT B. MASON II, 0000
MARGARET MCKEATHERN, 0000
JAMES R. MILLER, 0000
TIMOTHY S. MOLOGNE, 0000
KEVIN D. MOORE, 0000
AMY I. MORTENSEN, 0000
ASA MORTON, 0000
GARY L. MUNN, 0000
GEORGE MURRELL, 0000
NEAL A. NAITO, 0000
DONALD L. NICHOLS, 0000
STEPHEN R. OCONNELL, 0000
ANTHONY S. PANETTIERE, 0000
ROBERT K. PARKINSON, 0000
WILLIAM B. POSS, 0000
MICHAEL L. PUCKETT, 0000
PETER M. RHEE, 0000
WILLIAM O. ROGERS, 0000
RICHARD ROWE, 0000
KENNETH W. SAPP, 0000
PAUL J. SAVAGE, 0000
DAVID F. SITLER, 0000
JAY C. SOURBEER, 0000
FREDRICK N. SOUTHERN, 0000
DENNIS E. SUMMERS, 0000
DAVID A. TAM, 0000
SYBIL A. TASKER, 0000
GRETCHEN C. TAYLOR, 0000
HARRY A. TAYLOR III, 0000
ROBERT P. THIEL, 0000
ELIZABETH A. TONON, 0000
RAYMOND J. TURK, 0000
ROBERT M. WAH, 0000
JOHN T. WIDERGREN, 0000
PETER L. ZAMFIRESCU, 0000
DANIEL J. ZINDER, 0000

CONFIRMATION

Executive nomination confirmed by the Senate May 8, 2003:

THE JUDICIARY

JOHN G. ROBERTS, JR., OF MARYLAND, TO BE UNITED STATES CIRCUIT JUDGE FOR THE DISTRICT OF COLUMBIA CIRCUIT.

Daily Digest

HIGHLIGHTS

Senate agreed to the Resolution of Ratification of the NATO Expansion Treaty (Treaty Doc. 108–4).

Senate passed S. 113, Foreign Intelligence Surveillance Act.

Senate passed S. 165, Air Cargo Security Act.

House Committee ordered reported the Foreign Relations Authorization Act, Fiscal Years 2004 and 2005.

The House passed H.R. 1261, Workforce Reinvestment and Adult Education Act.

Senate

Chamber Action

Routine Proceedings, pages S5881–S5980

Measures Introduced: Eleven bills and four resolutions were introduced, as follows: S. 1024–1034, and S. Res. 134–137. **Pages S5949–50**

Measures Reported:

S. 1025, to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System. (S. Rept. No. 108–44) **Page S5949**

Measures Passed:

Foreign Intelligence Surveillance Act: Select Committee on Intelligence was discharged from further consideration of S. 113, to amend the Foreign Intelligence Surveillance Act of 1978 to cover individuals, other than United States persons, who engage in international terrorism without affiliation with an international terrorist group, and by 90 yeas to 4 nays (Vote No. 146), Senate passed the bill, after agreeing to the committee amendment in the nature of a substitute, and the committee amendment to the title, and taking action on the following amendments proposed thereto:

Pages S5899–S5907, S5913–28

Adopted:

Feingold Amendment No. 536, to establish additional annual reporting requirements on activities under the Foreign Intelligence Surveillance Act of 1978. **Pages S5913–14**

Rejected:

By 35 yeas to 59 nays (Vote No. 145), Feinstein Amendment No. 537, in the nature of a substitute. **Pages S5914–25**

Air Cargo Security Act: Senate passed S. 165, to improve air cargo security, after withdrawing the committee amendments, and agreeing to the following amendment proposed thereto: **Pages S5929–39**

Hutchison (for McCain) Amendment No. 538, in the nature of a substitute. **Pages S5931–34**

Condemning Stoning: Senate agreed to S. Con. Res. 26, condemning the punishment of execution by stoning as a gross violation of human rights. **Page S5977**

Authorizing Use of Capitol Grounds: Senate agreed to H. Con. Res. 53, authorizing the use of the Capitol Grounds for the Greater Washington Soap Box Derby. **Page S5978**

Authorizing Use of Capitol Grounds: Senate agreed to H. Con. Res. 96, authorizing the use of the Capitol Grounds for the National Peace Officers' Memorial Service. **Page S5978**

Printing Authority: Senate agreed to H. Con. Res. 138, authorizing the printing of the Biographical Directory of the United States Congress, 1774–2005. **Page S5978**

Authorizing Senate Legal Representation: Senate agreed to S. Res. 134, to authorize representation by the Senate Legal Counsel in *Newdow* v. *Eagen, et al.* **Page S5978**

Honoring James A. Johnson: Senate agreed to S. Res. 137, honoring James A. Johnson, Chairman of the Board of Trustees of the John F. Kennedy Center for the Performing Arts. **Pages S5978–79**

Energy Policy Act: Senate resumed consideration of S. 14, to enhance the energy security of the United States, on Thursday, May 8, 2003. **Pages S5888–99**

A unanimous-consent agreement was reached providing for further consideration of the bill on Friday, May 9, 2003, following the remarks of the Majority Leader. **Page S5979**

Reconciliation—Agreement: A unanimous-consent agreement was reached providing that, at a time determined by the Majority Leader, after consultation with the Democratic Leader, Senate will proceed to the Senate reconciliation bill on Monday, May 12, 2003; that no more than 1 hour per side of the statutory time be consumed during Monday's session; that no amendments be in order on Monday; and that this order be vitiated if the measure is not available on Monday. **Page S5979**

Treaty Approved: The following treaty having passed through its various parliamentary stages, up to and including the presentation of the resolution of ratification, as amended, two-thirds of the Senators present and having voted in the affirmative, the resolution of ratification was agreed to by a unanimous vote of 96 yeas (Vote No. 142): **Page S5885**

Protocols to North Atlantic Treaty of 1949 on Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia (Treaty Doc. 108–4), with 9 declarations and 3 understandings. **Pages S5885–88**

Nomination Considered: Senate resumed consideration of the nomination of Miguel A. Estrada, of Virginia, to be United States Circuit Judge for the District of Columbia Circuit. **Pages S5907–13**

During consideration of this measure today, Senate also took the following action:

By 54 yeas to 43 nays (Vote No. 143), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the sixth motion to close further debate on the nomination. **Pages S5912–13**

Nomination Considered: Senate continued consideration of the nomination of Priscilla Richman Owen, of Texas, to be United States Circuit Judge for the Fifth Circuit. **Pages S5907–13**

During consideration of this nomination today, Senate also took the following action:

By 52 yeas to 45 nays (Vote No. 144), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate failed to agree to the second motion to close further debate on the nomination. **Page S5913**

Appointments:

Senate National Security Working Group: The Chair announced on behalf of the Democratic Leader, pursuant to the provisions of S. Res. 105 (adopted April 13, 1989), as amended by S. Res. 149 (adopted October 5, 1993), as amended by Public Law 105–275, further amended by S. Res. 75 (adopted March 25, 1999), and S. Res. 383 (adopted October 27, 2000), the appointment of the following Senators to serve as members of the Senate National Security Working Group for the 108th Congress: Senators Byrd (Democratic Administrative Co-Chairman), Levin (Democratic Co-Chairman), Biden (Democratic Co-Chairman), Kennedy, Sarbanes, Kerry, Dorgan, Durbin, and Nelson (FL). **Page S5979**

Canada-U.S. Interparliamentary Group: The Chair, on behalf of the Vice President, pursuant to 22 U.S.C. 276d–276g, as amended, appointed the following Senators as members of the Senate Delegation to the Canada-U.S. Interparliamentary Group during the First Session of the 108th Congress, to be held in Canada, May 15–19, 2003: Senators Leahy and Akaka. **Page S5979**

Nominations Confirmed: Senate confirmed the following nomination:

John G. Roberts, Jr., of Maryland, to be United States Circuit Judge for the District of Columbia Circuit. **Page S5980**

Nominations Received: Senate received the following nominations:

Michael W. Mosman, of Oregon, to be United States District Judge for the District of Oregon.

1 Air Force nomination in the rank of general.

1 Army nomination in the rank of general.

Routine lists in the Navy. **Page S5980**

Messages From the House: **Pages S5945–46**

Measures Referred: **Page S5946**

Measures Placed on Calendar: **Page S5946**

Executive Communications: **Pages S5946–47**

Petitions and Memorials: **Pages S5947–49**

Executive Reports of Committees: **Page S5949**

Additional Cosponsors: **Pages S5950–51**

Statements on Introduced Bills/Resolutions: **Pages S5951–73**

Additional Statements: **Pages S5943–45**

Amendments Submitted: **Pages S5973–77**

Authority for Committees to Meet: **Page S5977**

Privilege of the Floor: **Page S5977**

Record Votes: Five record votes were taken today. (Total—146) **Pages S5885, S5912–13, S5913, S5925, S5928**

Adjournment: Senate met at 9:31 a.m, and adjourned at 6:57 p.m., until 9:30 a.m., on Friday, May 9, 2003. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S5979.)

Committee Meetings

(Committees not listed did not meet)

APPROPRIATIONS: DEPARTMENT OF AGRICULTURE

Committee on Appropriations: Subcommittee on Agriculture, Rural Development, and Related Agencies concluded hearings to examine proposed budget estimates for fiscal year 2004 for the Department of Agriculture, after receiving testimony from Ann M. Veneman, Secretary of Agriculture.

APPROPRIATIONS: DEPARTMENT OF TRANSPORTATION

Committee on Appropriations: Subcommittee on Transportation, Treasury, and General Government concluded hearings to examine proposed budget estimates for fiscal year 2004 for the Department of Transportation, after receiving testimony from Norman Y. Mineta, Secretary of Transportation.

APPROPRIATIONS: LEGISLATIVE

Committee on Appropriations: Subcommittee on Legislative Branch concluded hearings to examine proposed budget estimates for fiscal year 2004 for the Offices of the Secretary of the Senate and the Architect of the Capitol, after receiving testimony from Emily Reynolds, Secretary of the Senate; and Alan Hantman, Architect of the Capitol.

AUTHORIZATION—NATIONAL DEFENSE

Committee on Armed Services: Committee ordered favorably reported the following bills: An original bill entitled ''National Defense Authorization Act for Fiscal Year 2004''; An original bill entitled ''Department of Defense Authorization Act for Fiscal Year 2004''; An original bill entitled ''Military Construction Authorization Act for Fiscal Year 2004''; and An original bill entitled ''Department of Energy National Security Act for Fiscal Year 2004''.

Also, committee received a report from the Select Committee on Intelligence on the proposed Intelligence Authorization Act for Fiscal Year 2004.

CLIMATE CHANGE

Committee on Commerce, Science, and Transportation: on May 7, 2003, Committee concluded hearings to examine the National Academy of Science's review of the U.S. Climate Change Science Program Strategic Plan, after receiving testimony from Richard Alley, Pennsylvania State University, University Park, on behalf of the Committee on Abrupt Climate Change, The National Academies; Thomas E. Graedel, Yale University, New Haven, Connecticut; Anthony C. Janetos, H. John Heinz III Center for Science, Economics, and the Environment, Washington, D.C.; Diana M. Liverman, University of Arizona, Tucson; and Andrew Solow, Woods Hole Oceanographic Institution, Massachusetts.

NOMINATIONS

Committee on the Judiciary: Committee concluded hearings to examine the nominations of Robert D. McCallum, Jr., of Georgia, to be Associate Attorney General, who was introduced by Senator Chambliss, and Peter D. Keisler, of Maryland, to be an Assistant Attorney General, both of the Department of Justice, after each nominee testified and answered questions in their own behalf.

HYDROGEN FUEL CELL

Committee on Commerce, Science, and Transportation: on May 7, 2003, Subcommittee on Science, Technology, and Space concluded hearings to examine the future of the hydrogen fuel cell, focusing on the President's National Energy Policy Plan, entitled ''Reliable, Affordable and Environmentally Sound Energy for America's Future'', and certain related initiatives including the FreedomCAR partnership, the President's Hydrogen Fuel Initiative, and the ''FutureGen'' zero-emission coal-fired electricity and hydrogen power plant initiative, after receiving testimony from John H. Marburger III, Director, Office of Science and Technology Policy; David K. Garman, Assistant Secretary of Energy for Energy Efficiency and Renewable Energy; David J. Friedman, Cambridge, Massachusetts, on behalf of the Union of Concerned Scientists; J. Byron McCormick, General Motors Corporation, Warren, Michigan; and Francis R. Preli, Jr., United Technologies Corporation Fuel Cells, South Windsor, Connecticut.

NOMINATION

Committee on Commerce, Science, and Transportation: Committee concluded hearings to examine the nomination of Annette Sandberg, of Washington, to be Administrator of the Federal Motor Carrier Safety Administration, Department of Transportation, after the nominee, who was introduced by Senators Murray and Cantwell, testified and answered questions in her own behalf.

CLEAR SKIES ACT

Committee on Environment and Public Works: Subcommittee on Clean Air, Climate Change, and Nuclear Safety concluded hearings to examine S. 485, to amend the Clean Air Act to reduce air pollution through expansion of cap and trade programs, to provide an alternative regulatory classification for units subject to the cap and trade program, after receiving testimony from Kyle E. McSlarrow, Deputy Secretary of Energy; James Krimmel, Zaclon Incorporated, Cleveland, Ohio, on behalf of the Ohio Manufacturers' Association; Richared A. Metz, UNIMARK L.L.C., Edmond, Oklahoma; Steve Thumb, Energy Ventures Incorporated, and Joel Bluestein, Energy and Environmental Analysis, Inc., both of Arlington, Virginia.

BUSINESS MEETING

Committee on Finance: Committee ordered favorably reported S. 2, to amend the Internal Revenue Code of 1986 to provide additional tax incentives to encourage economic growth, with an amendment in the nature of a substitute.

BUSINESS MEETING

Committee on the Judiciary: Committee ordered favorably reported the nominations of John G. Roberts, Jr., of Maryland, to be United States Circuit Judge for the District of Columbia Circuit, S. Maurice Hicks, Jr., to be United States District Judge for the Western District of Louisiana, Carolyn B. Kuhl and Consuelo Maria Callahan, both of California, both to be United States Circuit Judge for the Ninth Circuit, and William Emil Moschella, of Virginia, to be an Assistant Attorney General, and Leonardo M. Rapadas, of Guam, to be United States Attorney for the District of Guam and concurrently United States Attorney for the District of the Northern Mariana Islands.

House of Representatives

Chamber Action

Measures Introduced: 15 public bills, H.R. 2028–2042; and 7 resolutions, H. Con. Res. 168–171, and H. Res. 224–226, were introduced.

Pages H3855–57

Additional Cosponsors: **Pages H3857–58**

Reports Filed: Reports were filed today as follows:

H. Res. 110, providing amounts for the expenses of the Committee on Homeland Security in the One Hundred Eighth Congress, amended (H. Rept. 108–93);

H.R. 2, to amend the Internal Revenue Code of 1986 to provide additional tax incentives to encourage economic growth, amended (H. Rept. 108–94);

H. Res. 227, providing for consideration of H.R. 2, to amend the Internal Revenue Code of 1986 to provide additional tax incentives to encourage economic growth (H. Rept. 108–95). **Page H3855**

Guest Chaplain: The prayer was offered by the guest Chaplain, Rev. Dr. Thomas J. Rogers, Senior Pastor, Abiding Savior Lutheran Church of Lake Forest, California. **Page H3765**

Suspensions: The House agreed to suspend the rules and pass the following measures that were debated on May 7:

Rail Passenger Disaster Family Assistance Act: H.R. 874, to establish a program, coordinated by the National Transportation Safety Board, of assistance to families of passengers involved in rail passenger accidents (agreed to by 2/3 yea-and-nay vote of 414 yeas to 5 nays, Roll No. 172); and

Pages H3776–77

Public Service Recognition Week: H.Res. 213, expressing the sense of the House of Representatives that public service employees should be commended for their dedication and service to the Nation during Public Service Recognition Week (agreed to by 2/3 yea-and-nay vote of 418 yeas with none voting ''nay'', Roll No. 176). **PageH 3820**

Workforce Reinvestment and Adult Education Act: The House passed H.R. 1261, to enhance the workforce investment system of the Nation by strengthening one-stop career centers, providing for more effective governance arrangements, promoting access to a more comprehensive array of employment, training, and related services, establishing a targeted approach to serving youth, and improving performance accountability by recorded vote of 220 ayes to 204 noes, Roll No. 175.

Pages H3766, H3767–76, H3777–H3809, H3819–20

Rejected the George Miller of California motion that sought to recommit the bill to the Committee on Education and the Workforce with instructions to report it back promptly with an amendment that will extend unemployment benefits for 26 weeks for

unemployed individuals who have exhausted regular unemployment benefits and an additional 13 weeks of income support for individuals who have exhausted their Federal extended unemployment benefits by yea-and-nay vote of 202 yeas to 223 nays, Roll No. 174. **Pages H3819–20**

Pursuant to the rule the amendment in the nature of a substitute recommended by the Committee on Education and the Workforce now printed in the bill (H. Rept. 108–82) was considered as an original bill for the purpose of amendment. **Page H3821**

Agreed To:

McKeon amendment No. 1 printed in H. Rept. 108–92 that clarifies that the state unit that serves the most individuals with disabilities will serve on the workforce investment board; makes Temporary Assistance for Needy Families (TANF) a mandatory partner in the one-stop career center system unless the Governor objects to the Secretaries of Labor and Health and Human Services; reinstates the requirement that youth providers be selected by competitive process; clarifies that state-recognized tribes may continue to participate in the Workforce Investment Act (WIA) program for Native Americans; specifies that the National Institute for Literacy is under the direction of an Interagency Group, composed of the Secretaries of Education, Labor, and Health and Human Services; **Pages H3808–09**

Allen amendment No. 2 printed in H. Rept. 108–92 that includes administrators of adult education and literacy activities on local Workforce Investment Boards; **Page H3809**

Vitter amendment No. 3 printed in H. Rept. 108–92 that requires one-stop centers and providers of training services to meet the specific employment needs of local employers and participants (agreed to by recorded vote of 423 ayes with none voting ''no,'' Roll No. 173); **Pages H3810–11, H3816–17**

Kline amendment No. 4 printed in H. Rept. 108–92 that clarifies that administrative overhead costs for one stop centers will be shared proportionately by all providers; **Pages H3811–13**

Lewis of Georgia amendment No. 5 printed in H. Rept. 108–92 that extends youth participant eligibility from age 21 to age 24; **Pages H3813–14**

Hastings of Florida amendment No. 6 printed in H. Rept. 108–92 that increases the established formula for allocations to local areas from 80 to 85 percent and decreases the discretionary formula from 20 percent to 15 percent; **Pages H3814–15**

Millender-McDonald amendment No. 7 printed in H. Rept. 108–92 that gives additional priority for training services to single parents, displaced homemakers, and pregnant single women; and **Page H3815**

Kaptur amendment No. 8 printed in H. Rept. 108–92 that requires the Department of Labor to give technical assistance to local boards regarding accounting and other program operation practices when this assistance is not offered by the State and requires the Department of Labor to establish a system for States to share information regarding the best practices of workforce investment activities. **Pages H3815–16**

The Clerk was authorized to make technical corrections and conforming changes in the engrossment of the bill. **Page H3821**

Agreed to H. Res. 221, the rule that provided for consideration of the bill by recorded vote of 221 ayes to 196 noes, Roll No. 171. Earlier agreed to order the previous question by yea-and-nay vote of 222 yeas to 199 nays, Roll No. 170. **Pages H3767–76**

Meeting Hour—Friday, May 9: Agreed to the Boehner motion that when the House adjourns today, it adjourn to meet at 9 a.m. on Friday, May 9. **Page H3808**

Recess: The House recessed at 3:35 p.m and reconvened at 5:38 p.m. **Page H3822**

Committee Funding Resolution: The House agreed to H. Res. 148, providing for the expenses of certain committees of the House of Representatives in the One Hundred Eighth Congress by voice vote. **Pages H3821–27**

Earlier today agreed to Chairman Ney unanimous consent request that it be in order at any time without intervention of any point of order to consider the resolution; that the amendment recommended by the Committee on House Administration now printed in the resolution, modified by the amendment in the nature of a substitute placed at the desk, be considered as adopted; that the resolution, as amended, be debatable for one hour; and that the previous question be considered as ordered on the resolution, as amended, to final adoption without intervening motion. **Pages H3821–27**

Committee on Homeland Security Funding Resolution: The House agreed to H. Res. 110, H. Res. 110, providing for the expenses of the Committee on Homeland Security in the One Hundred Eighth Congress, by voice vote. **Pages H3821–22, H3828–28**

Agreed to amend the title so as to read: ''Resolution providing amounts for the expenses of the Select Committee on Homeland security.''. **Page H3821**

Earlier today agreed to Chairman Ney unanimous consent that it be in order at any time without intervention of any point of order to consider the resolution; that the amendment in the nature of a substitute now printed in the resolution be considered as adopted; that the resolution, as amended, be debatable for one hour; and that the previous question be considered as ordered on the resolution, as

amended, to final adoption without intervening motion. Page H3821

Ticket to Work and Work Incentives Advisory Panel: The Chair announced the Speaker's appointment of Mrs. Berthy de La Rosa-Aponte of Cooper City, Florida to a four-year term to the Ticket to Work and Work Incentives Advisory Panel. Page H3829

Recess: The House recessed at 9:32 p.m. and reconvened at 10:01 p.m. Page H3854

Amendments: Amendments ordered printed pursuant to the rule appears on page H3858.

Quorum Calls—Votes: Four yea-and-nay votes and three recorded votes developed during the proceedings of the House today and appear on pages H3775, H3776, H3776–77, and H3816–17. There were no quorum calls.

Adjournment: The House met at 10 a.m. and adjourned at 10:02 p.m.

Committee Meetings

FOREIGN AGRICULTURAL SERVICE ANNIVERSARY; HEALTHY FOREST RESTORATION ACT

Committee on Agriculture: Ordered reported the following measures: H.J. Res. 49, recognizing the important service to the Nation provided by the Foreign Agricultural Service of the Department of Agriculture on the occasion of its 50th anniversary; and H.R. 1904, Healthy Forests Restoration Act of 2003.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES APPROPRIATIONS

Committee on Appropriations: Subcommittee on Labor, Health and Human Services, Education, and Related Agencies continued appropriation hearings. Testimony was heard from public witnesses.

TRANSPORTATION AND TREASURY, AND INDEPENDENT AGENCIES APPROPRIATIONS

Committee on Appropriations: Subcommittee on Transportation and Treasury, and Independent Agencies held a hearing on Management and Cost Oversight of Federal Highway Funding. Testimony was heard from the following officials of the Department of Transportation: Mary Peters, Administrator, Federal Highway Administrator; and Kenneth M. Mead, Inspector General; and Tom Stephens, Director, Department of Transportation, State of Nevada.

The Subcommittee also held a hearing on the Secretary of the Treasury. Testimony was heard from John W. Snow, Secretary of the Treasury.

TRADE IN SERVICES AND E-COMMERCE

Committee on Energy and Commerce: Subcommittee on Commerce, Trade and Consumer Protection held a hearing entitled ''Trade in Services and E-Commerce: The Significance of the Singapore and Chile Free Trade Agreements.'' Testimony was heard from the following officials of the Office of the United States Trade Representative: Ralph F. Ives III, Assistant U.S. Trade Representative, Asia-Pacific and APEC Affairs; and Regina K. Vargo, Assistant U.S. Trade Representative for the Americas; Michelle O'Neill, Deputy Assistant Secretary, Information Technology Industries, Department of Commerce; and public witnesses.

NATIONAL CREDIT REPORTING SYSTEM IMPORTANCE

Committee on Financial Services: Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled ''The Importance of the National Credit Reporting System to Consumers and the U.S. Economy.'' Testimony was heard from Wayne Abernathy, Assistant Secretary, Financial Institutions, Department of the Treasury; and public witnesses.

HOMELAND SECURITY DEPARTMENT—INFORMATION SHARING BARRIERS

Committee on Government Reform: Held a hearing entitled ''Out of Many, One: Assessing Barriers to Information Sharing in the Department of Homeland Security.'' Testimony was heard from Steve Cooper, Chief Information Officer, Department of Homeland Security; Mark Forman, Associate Director, Information, Technology and E-Government, OMB; the following officials of the GAO: Robert Dacey, Director, Information Technology Team; and Randolph C. Hite, Director, Architecture and Systems Issues, Information Technology; and public witnesses.

DENTISTRY—FULL DISCLOSURE IMPLEMENTATION

Committee on Government Reform: Subcommittee on Human Rights and Wellness held a hearing on ''Consumer Choice and Implementing Full Disclosure in Dentistry.'' Testimony was heard from Representative Michaud; and public witnesses.

FOREIGN RELATIONS AUTHORIZATION ACT

Committee on International Relations: Ordered reported, as amended, H.R. 1950, Foreign Relations Authorization Act, Fiscal Years 2004 and 2005.

U.S. COOPERATIVE THREAT REDUCTION AND NONPROLIFERATION PROGRAMS

Committee on International Relations: Subcommittee on Europe and the Subcommittee on International Terrorism, Nonproliferation and Human Rights held a joint hearing on U.S. Cooperative Threat Reduction and Nonproliferation Programs, Part I. Testimony was heard from John S. Wolf, Assistant Secretary, Bureau of Nonproliferation, Department of State; Ken Baker, Principal Deputy Administrator, National Nuclear Security Administration, Department of Energy; and Lisa Bronson, Deputy Under Secretary, Technology, Security, Policy and Counterproliferation, Department of Defense.

Hearings continue May 14.

OVERSIGHT—DIRECT BROADCASTING SATELLITE SERVICE

Committee on the Judiciary: Held an oversight hearing on ''Direct Broadcasting Satellite Service in the Multichannel Video Distribution Market.'' Testimony was heard from public witnesses.

OVERSIGHT—WAR ON TERRORISM—IMMIGRATION ENFORCEMENT SINCE 9/11

Committee on the Judiciary: Subcommittee on Immigration, Border Security and Claims held an oversight hearing on War on Terrorism: Immigration Enforcement Since September 11, 2001. Testimony was heard from Kevin Rooney, Director, Executive Office for Immigration Review, Department of Justice; the following officials of the Department of Homeland Security: Michael Dougherty, Staff Director, Operations, Bureau of Immigration and Customs Enforcement; and Jay Ahern, Assistant Commissioner, Office of Field Operations, Bureau of Customs and Border Protection; and a public witness.

JOBS AND GROWTH RECONCILIATION TAX ACT

Committee on Rules: Granted, by a vote of 9 to 4, a closed rule providing one hour of debate in the House on H.R. 2, Jobs and Growth Reconciliation Tax Act of 2003, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The rule provides that the amendment recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted. The rule waives all points of order against the bill, as amended, and against its consideration. Finally, the rule provides one motion to recommit with or without instructions. Testimony was heard from Chairman Thomas and Representatives Smith of Michigan, Rangel, McDermott, Kanjorski, Cooper of Tennessee, Jackson-Lee of Texas, Loretta Sanchez of California, Berry, Wu, Weiner, Ross, Emanuel, and Marshall,

NATIONAL EARTHQUAKE REDUCTION PROGRAM

Committee on Science: Subcommittee on Research held a hearing on the National Earthquake Reduction Program: Past, Present, and Future. Testimony was heard from public witnesses.

NASA'S INTEGRATED SPACE TRANSPORTATION PLAN AND ORBITAL SPACE PLAN PROGRAM

Committee on Science: Subcommittee on Space and Aeronautics held a hearing on NASA's Integrated Space Transportation Plan and Orbital Space Plan Program. Testimony was heard from Frederick D. Gregory, Deputy Administrator, NASA; and public witnesses.

OVERCOMING OBSTACLES FACING UNINSURED

Committee on Small Business: Subcommittee on Tax, Finance, and Exports held a hearing on Overcoming Obstacles Facing the Uninsured: How the Use of Medical Savings Accounts, Flexible Spending Accounts and Tax Credits Can Help. Testimony was heard from Representative Manzullo; and public witnesses.

FEDERAL FLIGHT DECK OFFICER PROGRAM STATUS

Committee on Transportation and Infrastructure: Subcommittee on Aviation held a hearing on the Status of the Federal Flight Deck Officer Program. Testimony was heard from Stephen McHale, Deputy Administrator, Transportation Security Administration, Department of Homeland Security; and public witnesses.

FEDERAL FLIGHT DECK OFFICER PROGRAM—ALLOW CARGO PILOTS PARTICIPATION

Committee on Transportation and Infrastructure: Subcommittee on Aviation approved for full Committee action, as amended, H.R. 765, to amend title 49, United States Code, to allow cargo pilots to participate in the Federal flight deck officer program.

EFFORTS TO ELIMINATE MISMANAGEMENT IN PROGRAMS ADMINISTERED BY VETERANS DEPARTMENT

Committee on Veterans' Affairs: Held a hearing on past and present efforts to identify and eliminate fraud, waste, abuse and mismanagement in programs administered by the Department of Veterans Affairs. Testimony was heard from Richard J. Griffin, Inspector General, Department of Veterans Affairs; and Cynthia A. Bascetta, Director, Healthcare—Veterans' Health and Benefits Issues, GAO.

COMMITTEE MEETINGS FOR FRIDAY, MAY 9, 2003

(Committee meetings are open unless otherwise indicated)

Senate

No meetings/hearings scheduled.

House

Committee on Armed Services, Subcommittee on Readiness, to mark up H.R. 1588, National Defense Authorization Act for Fiscal Year 2004, 1 p.m., 2118 Rayburn.

Subcommittee on Tactical Air and Land Forces, to mark up H.R. 1588, National Defense Authorization Act for Fiscal Year 2004, 11 a.m., 2118 Rayburn.

Subcommittee on Terrorism, Unconventional Threats and Capabilities, to mark up H.R. 1588, National Defense Authorization Act for Fiscal Year 2004, 9 a.m., 2212 Rayburn.

Committee on Government Reform, hearing entitled ''In Search of Educational Excellence in the Nation's Capital: A Review of Academic Options for Students and Parents in the District of Columbia,'' 11 a.m., 2154 Rayburn.

Next Meeting of the SENATE

9:30 a.m., Friday, May 9

Senate Chamber

Program for Friday: Senate will begin a period of morning business where the Majority Leader will be recognized; following which, Senate will continue consideration of S. 14, Energy Policy Act.

Next Meeting of the HOUSE OF REPRESENTATIVES

9 a.m., Friday, May 9

House Chamber

Program for Friday: Consideration of H.R. 2, Jobs and Growth Tax Reconciliation Act (closed rule, one hour of debate)

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