By Mr. SPECTER: S. 812. A bill to amend the Internal Revenue Code of 1986 to impose a flat tax only on Individual taxable earned income and business taxable income, and for other purposes; to the Committee on Finance.

Mr. SPECTER. Mr. President, this week, American taxpayers face another Federal income tax deadline. The date of April 15 stirs fear, anxiety, and unease into the hearts of millions of Americans. Every year during “tax season,” millions of Americans spend their evenings poring over page after page of IRS instructions, going through their records looking for information and struggling to find and fill out all the appropriate forms on the Federal tax returns. Americans are intimidated by the sheer number of different tax forms and their instructions, many of which they may be unsure whether they need to file. Given the appropriate forms, not to mention the instructions that accompany them, simply trying to determine which form to file can in itself be a daunting and overwhelming task. According to a 2002 study conducted by the Tax Foundation, American taxpayers spend more than 5.8 billion hours and $194 billion each year in complying with tax laws. That works out to more than $2,400 per U.S. household. Much of this time is spent burrowing through IRS laws and regulations which fill 17,000 pages and have grown from 744,000 words in 1955 to over 6.9 million words in 2000. By contrast, the Pledge of Allegiance has only 31 words, the Gettysburg Address has 267 words, the Declaration of Independence has about 1,300 words, and the Bible has only about 1,773,000 words.

The majority of taxpayers still face filing tax forms that are far too complicated and take far too long to complete. For example: A 1040 tax filer has an estimated preparation time listed on the forms by the IRS, the 2004 Form 1040 is estimated to take 13 hours and 35 minutes to complete. Moreover this does not include the estimated time to complete the accompanying schedules, such as Schedule A, for itemized deductions, which carries an estimated preparation time of 5 hours, 37 minutes, or Schedule D, reporting capital gains and losses, shows an estimated preparation time of 3 hours. Every year “tax season” of approximately 117,000 employees, creating opportunities to put their expertise to use elsewhere in the government or in private industry.

Cuts Government: The flat tax would eliminate the lion’s share of IRS rules, regulations and requirements, which have grown from 744,000 words in 1955 to 6.9 million words and 17,000 pages currently. It would also allow us to slash the mammoth IRS bureaucracy of approximately 117,000 employees, creating opportunities for more time with their families, instead of poring over tax tables, schedules and regulations.

My flat tax proposal is dramatic, but so are its advantages: a taxation system that is simple, fair and designed to maximize prosperity for all Americans. A summary of the key advantages are:

- **Simplicity:** A flat tax is a system that is simple, fair and designed to maximize prosperity for all Americans. It is a system that is simple, fair and designed to maximize prosperity for all Americans.

- **Promotes Economic Growth:** Economists estimate a growth due to a flat tax of over $2 trillion in national wealth over seven years, representing an increase of approximately $7.5 billion in personal wealth for every man, woman and child in America. This growth would also lead to the creation of 6 million good jobs.

- **Increases Efficiency:** Investment decisions would be made on the basis of productivity rather than simply for tax

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**STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS**

By Mr. DURBIN:

S. 811. A bill to require the Secretary of the Treasury to mint coins in commemoration of the bicentennial of the birth of Abraham Lincoln; to the Committee on Banking, Housing, and Urban Affairs.

Mr. DURBIN. Mr. President, today I am introducing a bill that will honor Abraham Lincoln with a commemorative $5 coin to be sold only to States, with funds to the Abraham Lincoln Bicentennial Commission, which has been charged by Congress with planning the celebration of Lincoln’s bicentennial in 2009.

The bill authorizes the Treasury to mint 500,000 one dollar silver coins. The design, which will represent the life and legacy of Abraham Lincoln, will be selected by the Secretary after consultation with the Commission of Fine Arts and the ALBC and reviewed by the Citizens Coinage Advisory Committee.

The coins will be sold for face value plus a $10 surcharge and the cost of designing and issuing them. All funds collected by the surcharge will be provided to the ALBC to further its work.

Abraham Lincoln was one of our greatest leaders, demonstrating enormous courage and strength of character during the Civil War, perhaps the greatest crisis in our Nation’s history. Lincoln was born in Kentucky, grew to adulthood in Indiana, achieved fame in Illinois, and led the Nation in Washington, D.C. He rose to the Presidency through a combination of honesty, integrity, intelligence, and commitment to the United States.

Adhering to the belief that all men are created equal, Lincoln led the effort to free all slaves in the United States. Despite the great passions aroused by the Civil War, Lincoln had a generous heart and acted with malice toward none and with charity for all. Lincoln made the ultimate sacrifice for the country he loved, dying from an assassin’s bullet on April 15, 1865. All Americans could benefit from studying the life of Abraham Lincoln. As we near the bicentennial of Lincoln’s birth, House Republicans recognized this achievement in ensuring that the United States remained one Nation, united and inseparable.
avoids fraud: As tax loopholes are
eliminated and the tax code is sim-
plicated, there will be far less oppor-
tunity for tax avoidance and fraud,
which now amounts to over $120 billion
in uncollected revenue annually.

Reduces IRS costs: Simplification of
the tax code will allow us to save sig-
nificantly on the $10 billion annual
budget currently allocated to the In-
ternal Revenue Service.

The most dramatic way to illustrate
the flat tax is to consider that the in-
come tax form for the flat tax is print-
ed out on a postcard which will allow
taxpayers to file their April 15 tax returns
on a simple 10-line postcard. This post-
card will take 15 minutes to fill out.

At my town hall meetings across
Pennsylvania, there is considerable
public support for fundamental tax re-
form.

This is a win-win situation for Amer-
ica because it lowers the tax burden on
the taxpayers in the lower brackets.
For example in the 2004 tax year, the
standard deduction is $4,850 for a single
income over $22,100—that is personal ex-
ceptions of $12,400 and a standard de-
duction of $9,700. By contrast, under
my flat tax bill, that same family
would receive a personal exemption of
$90,000, and would pay tax on only in-
come over that amount.

The tax loopholes enable write-offs of
some $393 billion a year. What is elimi-
nated under the flat tax are the loop-
holes, the deductions in this com-
plicated code which can be deciphered,
interpreted, and found really only by
the $500-an-hour lawyers. That money
is lost to the taxpayers. $120 billion
would be saved by the elimination of
fraud because of the simplicity of the
Tax Code, the taxpayer being able to
find out exactly what they owe.

This bill is modeled after a proposal
discussed in the joint economic com-
mittee on November 5, 2003.

The key advantages of this flat tax
plan are threefold: First, it will dra-
matically simplify the payment of
taxes. Second, it will remove much of
the IRS regulatory morass now im-
posed on individual and corporate tax-
payers, and allow those taxpayers to
devote more of their energies to pro-
ductive pursuits. Third, since it is a
plan which rewards savings and invest-
ment, the flat tax will spur economic
growth in all sectors of the economy as
more money flows into investments
and savings accounts.

Professors Hall and Rabushka have
projected that within seven years of
enactment, this type of a flat tax
would produce a 6 percent increase in
output from increased total work in
the U.S. economy and increased capital
formation. The economic growth would
mean a $7,500 increase in the personal
income of all Americans. No one likes
to pay taxes. But Americans will be
much more willing to pay their taxes
under a system that they believe is
good, a system that they can under-
stand, and a system that they recog-
nize promotes rather than prevents
growth and prosperity. My flat tax leg-
islation will afford Americans such a
tax system.
## 2004 Individual Tax Return

| Wages, salary, pension and retirement benefits | 1 |
| Personal allowance (enter only one) | |
| -- $20,000 for married filing jointly | |
| -- $10,000 for single | |
| -- $15,000 for single head of household | 2 |
| Number of dependents, not including spouse, multiplied by $5,000 | 3 |
| Mortgage interest on debt up to $100,000 for owner-occupied home | 4 |
| Cash or equivalent charitable contributions (up to $2,500) | 5 |
| Total allowances and deductions (lines 2, 3, 4 and 5) | 6 |
| Taxable compensation (line 1 less line 6, if positive; otherwise zero) | 7 |
| Tax (20% of line 7) | 8 |
| Tax withheld by employer | 9 |
| Tax or refund due (difference between lines 8 and 9) | 10 |
A variety of specific cases illustrate the fairness and simplicity of this flat tax:

**CASE #1** -- Married couple with two children, rents home, yearly income $35,000:

**Under Current Law:**

Income ........................ $35,000
Four personal exemptions ........ $12,400
Standard deduction .............. $ 9,700
Taxable income .................. $12,900

Tax due under current rates ....... $ 1,290
Marginal rate ..................... 10.6%
Effective tax rate ............... 3.6%

**Under Flat Tax:**

Personal allowance ............... $20,000
Two dependents .................. $10,000
Taxable income .................. $ 5,000

Tax due under flat tax ........... $ 1,000 ***Decrease of $290***
Effective tax rate ............... 2.9%

**CASE #2** -- Single individual, rents home, yearly income $50,000.

**Under Current Law:**

Income ........................ $50,000
One personal exemption .......... $ 3,100
Standard deduction .............. $ 4,850
Taxable income .................. $42,050

Tax due under current rates ...... $ 7,250
Marginal rate ..................... 17.2%
Effective rate .................... 14.5%

**Under Flat Tax:**

Personal allowance ............... $10,000
Taxable income .................. $40,000

Tax due under flat tax ........... $ 8,000 ***Increase of $750***
Effective rate .................... 16.0%

**CASE #3** -- Married couple with no children, $150,000 mortgage at 9%, yearly income $75,000:

**Under Current Law:**

Income ........................ $75,000
Two personal exemptions ................ $ 6,200
Home mortgage deduction ................ $13,500
State & local taxes ...................... $ 3,000
Charitable deduction ...................... $ 1,500
Taxable income .......................... $50,800

Tax due under current rates .............. $6,905
Marginal rate ............................ 13.6%
Effective tax rate ....................... 9.2%

Under Flat Tax:

Personal allowance ...................... $20,000
Home mortgage deduction ................ $9,000
Charitable deduction ...................... $ 1,500
Taxable income .......................... $44,500

Tax due under flat tax ................... $8,900  ***Increase of $1,995***
Effective tax rate ....................... 11.8%

CASE #4 -- Married couple with three children, $250,000 mortgage at 9%, yearly income $125,000:

Under Current Law:

Income .................................. $125,000
Five personal exemptions ................ $15,500
Home mortgage deduction ................ $22,500
State & local taxes ...................... $ 5,000
Retirement fund deductions .............. $6,000
Charitable deductions .................... $ 2,500
Taxable income .......................... $73,500

Tax due under current rates .............. $11,850
Marginal rate ............................ 16.1%
Effective tax rate ....................... 9.5%

Under Flat Tax:

Personal allowance ...................... $20,000
Three dependents ....................... $15,000
Home mortgage deduction ................ $9,000
Charitable deduction .................... $ 2,500
Taxable income .......................... $78,500

Tax due under flat tax ................... $15,700  ***Increase of $3,850***
Effective tax rate ....................... 12.6%
## ANNUAL TAXES UNDER 20% FLAT TAX FOR \nMARRIED COUPLE WITH TWO CHILDREN FILING JOINTLY \n
<table>
<thead>
<tr>
<th>Income</th>
<th>Home Mortgage*</th>
<th>Deductible Mtg Interest</th>
<th>Charitable Contribution*</th>
<th>Personal Allowance (w/ children)</th>
<th>Taxable Income</th>
<th>Effective Tax Rate</th>
<th>Taxes Owed</th>
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* Assumes home mortgage of twice annual income at a rate of 9% and charitable contributions up to 2% of annual income.
of 30 percent of the taxpayer’s share of the net profits of such trade or business, shall be considered as earned income.

**SEC. 2. STANDARD DEDUCTION.**

(a) In General.—For purposes of this subsection, the term "standard deduction" means the sum of—

(1) the basic standard deduction, plus

(2) the additional standard deduction.

(b) BASIC STANDARD DEDUCTION.—For purposes of subsection (a), the basic standard deduction is—

(1) 200 percent of the dollar amount in effect under paragraph (3) of the taxable year in the case of—

(A) a joint return, or

(B) a surviving spouse (as defined in section 9(a)),

(2) $15,000 in the case of a head of household (as defined in section 5(b)), or

(3) $10,000 in any other case.

(c) ADDITIONAL STANDARD DEDUCTION.—For purposes of subsection (a), the additional standard deduction is $5,000 for each dependent (as defined in section 65)—

(1) whose earned income for the calendar year in which the taxable year of the taxpayer begins is less than the base standard deduction specified in subsection (b)(3), or

(2) who is a child of the taxpayer and—

(A) has not attained the age of 19 at the close of the calendar year in which the taxable year of the taxpayer begins, or

(B) is a student who has not attained the age of 24 at the close of the calendar year.

(d) INFLATION ADJUSTMENT.—

(1) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2006, each dollar amount contained in sub- sections (b) and (c) shall be increased by an amount equal to—

(A) such dollar amount, multiplied by

(B) the cost-of-living adjustment for the calendar year in which the taxable year begins.

(2) COST-OF-LIVING ADJUSTMENT.—For purposes of paragraph (1), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

(A) the CPI for the preceding calendar year, exceeded

(B) the CPI for calendar year 2005.

(3) CPI FOR ANY CALENDAR YEAR.—For purposes of paragraph (1), the cost-of-living adjustment for any calendar year is determined in the same manner as the CPI for that calendar year is determined;

(4) INFLATION INDEX.—For purposes of paragraph (3), "Inflation Index" means the Consumer Price Index as of the close of the 12-month period ending on August 31 of such calendar year.

(5) CONSUMER PRICE INDEX.—For purposes of paragraph (3), the term 'Consumer Price Index' means the Consumer Price Index for all urban consumers published by the Department of Labor. For purposes of the preceding sentence, the revision of the Consumer Price Index which is most consistent with the Consumer Price Index for calendar year 1986 shall be used.

(6) ROUNDING.—If any increase determined under paragraph (1) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.

**SEC. 3. DEDUCTION FOR CASH CHARITABLE CONTRIBUTIONS.**

(a) GENERAL RULE.—For purposes of this part, there shall be allowed as a deduction any charitable contribution (as defined in section 170) to the extent of 20 percent of the adjusted gross income of the donor (as defined in section 61), reduced by the total amount of any contributions allowed by reason of sections 170 and 170C for the taxable year.

(b) CHARITABLE CONTRIBUTION DEFINED.—For purposes of this section, the term 'charitable contribution' means a contribution or gift of cash or its equivalent to or for the use of any organization described in paragraph (2) or (3), or (4).

(1) A State, a possession of the United States, or any political subdivision of any of the foregoing, or the United States, or the District of Columbia, but only if the contribution or gift is made for exclusively public purposes.

(2) A corporation, trust, or community chest, fund, or foundation—

(A) created or organized in the United States or in any possession thereof, or under the laws of any State, the District of Columbia, or any possession of the United States,

(B) organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the conduct of any parochial or denominational school, or of athletic facilities or equipment), or for the prevention of cruelty to children or animals,

(C) no part of the net earnings of which inures to the benefit of any private shareholder or individual, and

(D) which is not disqualified for tax exemption under section 501(c)(3) by reason of attempting to influence legislation, and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

A contribution or gift by a corporation to a trust, chest, fund, or foundation shall be deduc- tible by reason of this paragraph only if it is to be used within the United States or any of its possessions exclusively for purposes specified in subparagraph (B). Rules similar to the rules of section 501(j) shall apply for purposes of this paragraph.

(3) A post or organization of war veterans, or an auxiliary unit or society of, or trust or foundation for, any such post or organization—

(A) organized in the United States or any of its possessions, and

(B) no part of the net earnings of which inures to the benefit of any private shareholder or individual.

(4) In the case of a contribution or gift by an individual, a domestic fraternal society, order, or association, operating under the lodge system, but only if such contribution or gift is to be used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals.

(5) A cemetery company owned and operated exclusively for the exclusive benefit of its members, or any corporation chartered solely for burial purposes as a cemetery corporation and not permitted by its charter to engage in any business not necessarily incident to that purpose, if such company or corporation is not operated for profit and no part of the net earnings of such company or corporation inures to the benefit of any private shareholder or individual.

For purposes of this section, the term 'charitable contribution' also means an amount treated under subparagraph (a) as paid for the use of any organization described in paragraphs (2), (3), or (4).

(6) DISALLOWANCE OF DEDUCTION IN CERTAIN CASES AND SPECIAL RULES.—

(1) SUBSTANTIATION REQUIREMENT FOR CERTAIN CONTRIBUTIONS.—

(A) GENERAL RULE.—No deduction shall be allowed under subsection (a) for any contribution of $250 or more unless the taxpayer substantiates the contribution by a contemporaneous written acknowledgment of the contribution by the donee organization that meets the requirements of subparagraph (B).

(B) CONTENT OF ACKNOWLEDGMENT.—An acknowledgment meets the requirements of the paragraph if it includes the following information:

(i) The amount of cash contributed.
(ii) Whether the donee organization provided any goods or services in consideration, in whole or in part, for any contribution described in clause (i).

(3) The function and good faith estimate of the value of any goods or services referred to in clause (i) or, if such goods or services consist solely of intangible religious benefits, of such other intangible religious benefits as may be provided in regulations, shall be considered in determining the extent to which any amounts paid within the taxable year are deductible.

For purposes of this subparagraph, the term ‘intangible religious benefits’ means any intangible religious benefit which is provided by an organization exclusively for religious purposes and which generally is not sold in a commercial transaction outside the donorative context.

(4) CONTINGENT.—For purposes of subparagraph (A), an acknowledgment shall be considered to be contingent if the taxpayer obtains the acknowledgment on or before the earlier of—

(i) the date on which the taxpayer files return for the taxable year in which the contribution was made, or

(ii) the due date (including extensions) for filing such return.

(5) DEDUCTION NOT REQUIRED FOR CONTRIBUTIONS REPORTED BY THE DONEE ORGANIZATION.—(A) Any amount paid by the taxpayer in connection with a contribution described in paragraph (1) shall not be allowed as a deduction if the donee organization files a return, on such form and in accordance with such regulations as the Secretary of State may prescribe, which includes the information described in subparagraph (B) with respect to the contribution.

(B) SIMPLIFICATION.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations to provide that some or all of the requirements of this paragraph do not apply in appropriate cases.

(ii) Denial of deduction where contribution incorporated. —No deduction shall be allowed under section (a) for a contribution described in subsection (a) if the donor did not use any portion of the contributions for the purchase of such tickets, such portion and the travel expenses (including meals and lodging) while away from home, whether paid directly or by reimbursement, unless there is no significant element of personal pleasure, recreation, or vacation in such travel.

(iii) Disallowance of deductions in certain cases. —For disallowance of deductions for contributions to or for the use of Communist-controlled organizations, see section 111(a) of the Internal Revenue Act of 1950 (U.S.C. 770).

(iv) Treatment of certain amounts paid or for the benefit of institutions of higher education. —

(A) In general. —For purposes of this section, 80 percent of any amount described in paragraph (2) shall be treated as a charitable contribution.

(B) Amount described. —For purposes of paragraph (1), an amount is described in this paragraph if—

(1) the amount is paid by the taxpayer to or for the benefit of an educational organization—

(B) which is an institution of higher education (as defined in section 3301(d)); and

(2) such amount would be allowable as a deduction under this section but for the fact that the taxpayer receives (directly or indirectly) as a result of paying such amount the right to purchase tickets for seating at an athletic event in an athletic stadium of such institution.

If any portion of a payment is for the purchase of such tickets, such portion and the remaining portion (if any) of such payment shall be treated as separate amounts for purposes of this subsection.

(B) Other cross references.—

(1) For treatment of certain organizations providing child care, see section 501(k).

(2) For charitable contributions of partners, see section 702.

(iii) Limitation on period of refinancing. —For purposes of this section, any indebtedness incurred on or before October 13, 1987, shall be treated as having been incurred (by any pre-October 13, 1987, indebtedness) before October 13, 1987, and at all times thereafter before the interest is paid or accrued, or

(B) any indebtedness which is secured by a qualified residence on October 13, 1987, and at all times thereafter before the interest is paid or accrued, or

(4) Limitation on period of refinancing. —Subparagraph (B) of paragraph (3) shall not apply to any indebtedness described in subparagraph (A) if the qualified residence and was incurred after October 13, 1987, to refinance indebtedness described in subparagraph (A) or (B) of such paragraph, except that it shall not apply to any amount of the refinanced indebtedness (immediately before the refinancing) the principal amount of the indebtedness resulting from the refinancing does not exceed the principal amount of the refinanced indebtedness (immediately before the refinancing).

(5) For charitable contributions to or for the use of Indian tribal governments or subdivisions of such governments, see section 7871.

4. DEDUCTION FOR HOME ACQUISITION INDEBTEDNESS.—

(a) General rule. —For purposes of this part, there shall be allowed as a deduction all qualified residence interest paid or accrued within the taxable year.

(b) Qualified residence interest defined. —The term ‘qualified residence interest’ means any interest which is paid or accrued during the taxable year on acquisition indebtedness with respect to any qualified residence of the taxpayer. For purposes of the preceding sentence, the determination of whether any property is a qualified residence shall be made as of the time the interest is accrued.

(c) Acquisition indebtedness.—

(i) In general. —The term ‘acquisition indebtedness’ means any indebtedness incurred—

(A) in acquiring, constructing, or substantially improving any qualified residence of the taxpayer, and

(B) secured by such residence.

Such term also includes any indebtedness secured by such residence resulting from the refinancing of indebtedness meeting the requirements of section 166(h) (as defined in such section); but only to the extent the amount of the indebtedness resulting from such refinancing does not exceed the amount of the refinanced indebtedness.

(ii) $100,000 limitation. —The aggregate amount treated as acquisition indebtedness for any period shall not exceed $100,000 ($50,000 in the case of a married individual filing a separate return).

(iii) Treatment of subsection (c)(2) shall not apply.

(iv) Reduction in $100,000 limitation. —The limitation of subsection (c)(2) shall be reduced by the aggregate amount of outstanding pre-October 13, 1987, indebtedness.

(v) Pre-October 13, 1987, indebtedness.—The term ‘pre-October 13, 1987, indebtedness’ means—

(A) any indebtedness which was incurred on or before October 13, 1987, and which was refinanced after October 13, 1987, and at all times thereafter before the interest is paid or accrued, or

(B) any indebtedness which is secured by the qualified residence and was incurred after October 13, 1987, to refinance indebtedness described in subparagraph (A) or (B) of such paragraph.
For purposes of this section—

(1) QUALIFIED RESIDENCE.—For purposes of this subsection—

(A) A married couple qualifies for purposes of this subsection if the marital status of such couple is terminated by death or divorce during such taxable year or if such couple ceases to be a married couple at any time during such taxable year—

(i) if the couple is legally separated for a period of not less than one year, or

(ii) if the couple is not married at the close of such taxable year.

(B) A third party qualifies for purposes of this subsection if, during the taxable year, such party is a member of a household if, and only if, such individual is not married at the close of any taxable year.

C. Pre-October 13, 1987, indebtedness.—In the case of any indebtedness incurred to acquire such stock.

(b) Definition of Head of Household.—(1) IN GENERAL.—For purposes of this paragraph, a taxpayer shall be considered as having no dependents for any taxable year in which the taxable year of such taxpayer begins in a calendar year in which such individual is so treated under the provisions of section 6013(f)(3).
(ii) a student who has not attained the age of 24 as of the close of such calendar year.

(B) SPECIAL RULE FOR DISABLED.—In the case of a child with respect to whom, but for this paragraph, an individual may be and is claimed as a qualifying child by 2 or more taxpayers for a taxable year beginning in the same calendar year, such individual shall be treated as the qualifying child of the taxpayer who—

(i) is entitled to the dependency exemption for such a taxable year, or

(ii) if clause (i) does not apply, the taxpayer with the highest adjusted gross income for such taxable year.

(B) MORE THAN 1 PARENT CLAIMING QUALIFYING CHILD.—If the parents claiming any qualifying child do not file a joint return together, such child shall be treated as the qualifying child of—

(i) the parent with whom the child resided for the greatest period of time during the taxable year, or

(ii) if clause (i) does not apply, the parent with the highest adjusted gross income for such taxable year.

(2) RELATIONSHIP.—For purposes of this subsection—

(A) who bears a relationship to the taxpayer described in this paragraph (1)(A), an individual bears a relationship to the taxpayer for legal adoption by the taxpayer, or

(B) who is lawfully placed with the taxpayer by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

(3) DETERMINATION OF HOUSEHOLD STATUS.—An individual shall be treated as a member of the taxpayer’s household if at any time during the taxable year the taxpayer and the individual were members of the same household which is the principal residence of the taxpayer.

(4) SPECIAL RULE FOR DISABED.—In the case of a handicapped dependent—

(A) the taxpayer may choose either of the parents of the handicapped dependent to be treated as the parent of such a dependent for purposes of this subsection.

(5) SPECIAL RULE FOR BlND AND OTHER HANDICAPPED DEPENDENTS.—For purposes of subsection (4)(A), the term ‘blind and other handicapped dependent’ means an individual who during each of 5 calendar months during the calendar year in which such taxable year begins—

(i) continuously qualified by reason of being blind.

(ii) was totally disabled at any time during such calendar year.

(iii) was permanently and totally disabled at any time during the taxable year shall not include income attributable to services performed by the individual at a sheltered workshop if—

(I) the availability of medical care at such workshop is the principal reason for the individual’s presence there, and

(ii) the income arises solely from activities at such workshop which are incident to such medical care.

(B) SHELTERED WORKSHOP DEFINED.—For purposes of paragraph (A), the term ‘sheltered workshop’ means a school—

(i) which provides special instruction or training designed to alleviate the disability of the individual, and

(ii) which is operated by an organization described in section 501(c)(3) and excluded from tax under section 501(a), or by a State, a possession of the United States, any political subdivision of any of the foregoing, the United States, the District of Columbia, or a State or political subdivision thereof.

(5) SPECIAL RULES FOR SUPPORT.—For purposes of this subsection—

(A) payments to a spouse which are includible in the gross income of such spouse shall not be treated as a payment by the payor spouse for the support of any dependant, and

(B) in the case of the remarriage of a parent, support of a child received from the parent’s spouse shall be treated as received from the parent.

(6) SPECIAL RULE FOR DIVORCED PAR- TENTS.—(1) IN GENERAL.—Notwithstanding subsection (c)(1)(D), if—

(A) a child receives over one-half of the child’s support during the calendar year from the child’s parents—

(i) who are divorced, or

(ii) who are legally separated under a decree of divorce or separate maintenance,

(ii) who live apart at all times during the last 6 months of the calendar year, and

(B) such child is in the custody of 1 or both of the child’s parents for more than one-half of the calendar year, such child shall be treated as being the qualifying child or qualifying relative of the noncustodial parent for purposes described in paragraph (2) (A)(i) if—

(A) the divorce or separate maintenance agreement or written separation agreement states—

(i) that the custodial parent is not the parent with whom a child is primarily residing, and

(ii) that each of the parents agree to share in the support of the child in accordance with the terms of the agreement or written separation agreement, and

(iii) that the noncustodial parent provides more than 10 percent of such support files a written declaration in such manner and form as the Secretary may prescribe that such parent will not claim such child as a dependent for such taxable year.

For purposes of subparagraph (A), amounts expended for the support of a child or children shall be treated as received from the noncustodial parent to the extent that such parent provided amounts for such support.

(7) CUSTODIAL PARENT AND NONCUSTODIAL PARENT.—For purposes of this subsection—

(A) the term ‘custodial parent’ means the parent with whom a child shared the principal place of abode for the greater portion of the calendar year.

(B) NONCUSTODIAL PARENT.—The term ‘noncustodial parent’ means the parent who is not the custodial parent.

(8) EXCEPTION FOR MULTIPLE-SUPPORT AGREEMENTS.—This subsection shall not apply in any case where over one-half of the support of the child is treated as having been received from a taxpayer under the provision of subsection (d)(3).

(F) OTHER DEFINITIONS AND RULES.—For purposes of this section—

(1) CHILD DEFINED.—(A) The term ‘child’ means an individual who is—

(i) a son, daughter, stepson, or stepdaughter of the taxpayer; or

(ii) an eligible foster child of the taxpayer.

(B) ELIGIBLE FOSTER CHILD.—For purposes of subparagraph (A)(ii), the term ‘eligible foster child’ means an individual who is placed with the taxpayer by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

(2) STUDENT DEFINED.—The term ‘student’ means an individual who during each of 5 calendar months during the calendar year in which the taxable year of the taxpayer begins—

(A) a full-time student at an educational organization described in section 3(d)(1)(B), or

(B) is pursuing a full-time course of institutional on-farm training under the supervision of an accredited agent of an educational organization described in section 3(d)(1)(B) or of a State or political subdivision thereof.

(3) DETERMINATION OF HOUSEHOLD STATUS.—An individual shall not be treated as a member of the taxpayer’s household if at any time during the taxable year of the taxpayer the relationship between such individual and the taxpayer is in violation of local law.

(4) BROTHER AND SISTER.—The terms ‘brother’ and ‘sister’ include a brother or sister by the half blood.

(5) SPECIAL SUPPORT TEST IN CASE OF STUDENTS.—For purposes of subsections (c)(1)(D) and (d)(1)(C), in the case of an individual who is—

(A) a child of the taxpayer, and

(B) a student, amounts received as scholarships for study at an educational organization described in section 3(d)(1)(B) shall not be taken into account.

(6) TREATMENT OF MISSING CHILDREN.—(1) IN GENERAL.—55-56 for the purposes referred to in subparagraph (B), a child of the taxpayer—

(i) who is presumed by law enforcement authorities to have been one who is not a member of the family of such child or the taxpayer, and

(ii) the support of such a child shall be treated as received from the taxpayer.
“(i) who had, for the taxable year in which the kidnapping occurred, the same principal place of abode as the taxpayer for more than one-half of the portion of such year before the date when an individual is a surviving spouse or a head of a household (as such terms are defined in section 5).

“(B) PURPOSES.—Subparagraph (A) shall apply solely for purposes of determining—

(i) the deduction under section 2(c), and

(ii) the allocation of the household income of the taxpayer for purposes of paragraphs (1)(B) and (2) of section 2(c) with respect to the individual whose attempts to influence legislation, or any attempt to influence legislation, or any attempt to influence any candidate for public office, or elections, legislative matters, or referenda, or

(iv) any direct communication with a covered executive branch official in an attempt to influence the official actions or positions of such official.

“(II) EXCEPTIONS.—

(i) LOCAL LEGISLATION.—

In the case of any legislation of any local council or similar governing body—

(1) clause (i) shall not apply, and

(2) such tax shall include all ordinary and necessary expenses (including, but not limited to, traveling expenses described in subparagraph (A)(iii) and the cost of preparing testimony) paid or incurred during the taxable year in carrying on any trade or business—

(aa) in direct connection with appearances before, or influence of any attempt to influence any candidate for any office, and

(bb) in direct connection with communications to the committees, or any member of, or with respect to legislation or proposed legislation of direct interest to the taxpayer, or

(cc) in direct connection with communications to the committees, or any member of, or with respect to legislation or proposed legislation of which the taxpayer is a member, or

(dd) in direct connection with communications to the committees, or any member of, or with respect to legislation or proposed legislation of which the taxpayer is a member, or

(ii) OTHER SPECIAL RULES.—

For purposes of this subparagraph, the term ‘in direct connection with’ means expenditures described in subparagraph (A)(iii) and the cost of preparing testimony paid or incurred during the taxable year in carrying on any trade or business—

(aa) in direct connection with appearances before, or influence of any attempt to influence any candidate for any office, and

(bb) in direct connection with communications to the committees, or any member of, or with respect to legislation or proposed legislation of which the taxpayer is a member, or

(cc) in direct connection with communications to the committees, or any member of, or with respect to legislation or proposed legislation of which the taxpayer is a member, or

(dd) in direct connection with communications to the committees, or any member of, or with respect to legislation or proposed legislation of which the taxpayer is a member, or

(ee) in direct connection with communications to the committees, or any member of, or with respect to legislation or proposed legislation of which the taxpayer is a member, or

(ff) in direct connection with communications to the committees, or any member of, or with respect to legislation or proposed legislation of which the taxpayer is a member, or

(gg) in direct connection with communications to the committees, or any member of, or with respect to legislation or proposed legislation of which the taxpayer is a member, or

(hh) in direct connection with communications to the committees, or any member of, or with respect to legislation or proposed legislation of which the taxpayer is a member, or

(ii) OTHER SPECIAL RULES.—

For purposes of this subparagraph, the term ‘in direct connection with’ means expenditures described in subparagraph (A)(iii) and the cost of preparing testimony paid or incurred during the taxable year in carrying on any trade or business—

(aa) in direct connection with appearances before, or influence of any attempt to influence any candidate for any office, and

(bb) in direct connection with communications to the committees, or any member of, or with respect to legislation or proposed legislation of which the taxpayer is a member, or

(cc) in direct connection with communications to the committees, or any member of, or with respect to legislation or proposed legislation of which the taxpayer is a member, or

(dd) in direct connection with communications to the committees, or any member of, or with respect to legislation or proposed legislation of which the taxpayer is a member, or

(ee) in direct connection with communications to the committees, or any member of, or with respect to legislation or proposed legislation of which the taxpayer is a member, or

(f) OTHER SPECIAL RULES.—

(1) DEDUCTIONS.—In the case of any taxpayer engaged in the trade or business of conducting activities described in clause (i), clause (i) shall not apply to expenditures described in subparagraph (A)(ii) and the cost of preparing testimony paid or incurred during the taxable year if such expenditures do not exceed $2,000. In determining whether a taxpayer exceeds the $2,000 limit, there shall not be taken into account overhead costs otherwise allocable to activities described in subparagraph (A)(ii) and (IV) of clause (1).

(ii) IN-HOUSE EXPENDITURES.—For purposes of paragraph (a), the term ‘in-house expenditures’ described in subparagraph (A)(ii) and (IV) of clause (i) shall include all other than payments by the taxpayer to a person engaged in the trade or business of conducting activities described in clause (i) for the conduct of such activities on behalf of the taxpayer, or dues or other similar amounts paid or incurred by the taxpayer which are allocable to activities described in clause (i).

(iii) EXPENSES INCURRED IN CONNECTION WITH INVESTMENT AND INFLUENCE ACTIVITIES.—Any amount paid or incurred for research, or preparation, organizing, or coordinating of, any activity described in clause (i) shall be treated as paid or incurred in connection with such activity.

(iv) EXECUTIVE BRANCH OFFICIAL.—For purposes of this subparagraph, the term ‘covered executive branch official’ means—

(I) the President,

(II) the Vice President,

(III) any employee of the White House Office of the Executive Office of the President, and the 2 most senior level officers of each of the other agencies in such Executive Office, and

(IV) any individual serving in a position in level I of the Executive Schedule under section 5312 of title 5, United States Code, and having a seniority level determined by the President as having Cabinet level status, and any immediate deputy of such an individual.

(v) SPECIAL RULES FOR INDIAN TRIBAL GOVERNMENTS.—For purposes of this subparagraph, an Indian tribal government shall be treated in the same manner as a local council or similar governing body.

(vi) CROSS REFERENCES.—

(a) For reporting requirements and alternative taxes related to this subsection, see section 663(e).

(b) The product of such excess and the 3-month Treasury rate for the last month of such taxable year.

(c) CARRIERS OF EXCESS DEDUCTIONS.—

(1) IN GENERAL.—If the aggregate deductions for any taxable year exceed the gross active income for such taxable year, the amount of the deductions specified in subsection (d) for the succeeding taxable year (determined without regard to this subsection) shall be increased by the sum of—

(A) such excess, plus

(B) the product of such excess and the 3-month Treasury rate for the last month of such taxable year.

(d) 3-MONTH TREASURY RATE.—For purposes of paragraph (1), the 3-month Treasury rate is the rate determined by the Secretary based on the average market yield (during any 1-month period selected by the Secretary) ending in the calendar month in which the determination is made) on outstanding marketable obligations of the United States with remaining periods to maturity of 3 months or less.

(e) CONFORMING REPEALS AND REDISIGNATIONS.—

(1) REPEALS.—The following subdivisions of chapter 1 of subtitle A and the items relating to such subdivisions in the table of chapters for such chapter 1 are repealed:

(a) Subchapter B (relating to computation of taxable income).

(b) Subchapter C (relating to corporate distributions and adjustments).

(c) Subchapter D (relating to deferred compensation, etc.).

(d) Subchapter G (relating to corporations used to avoid income tax on shareholders).

(e) Subchapter H (relating to banking and insurance).

(f) Subchapter I (relating to natural resources).

(g) Subchapter K (relating to estates, trusts, beneficiaries, and decedents).

(h) Subchapter L (relating to insurance companies).

(i) Subchapter M (relating to regulated investment companies and real estate investment trusts).
I have again introduced the Veterans Prescription Drugs Assistance Act, S. 614. This legislation will broaden the ability of veterans to access the Veterans Affairs’ Prescription Drug Program. Under my bill, all Medicare-eligible veterans will be able to purchase medications at a tremendous price reduction through the Veterans Affairs’ Prescription Drug Program. In many cases, this will save veterans who are Medicare beneficiaries up to 50 percent on the cost of prescription medications, a significant savings for veterans. Similar savings may be available to America’s seniors from the savings achieved using the HHS bargaining power, like the Veterans Affairs bargaining power for the benefit of veterans. These savings may provide America’s seniors with fiscal relief from the increasing costs of prescription drugs.

I believe this bill can provide desperately needed access to inexpensive, effective prescription drugs for America’s seniors. The time has come for concerted action in this arena. I urge my colleagues to move this legislation forward promptly.

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. 813

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, SECTION 1. NEGOTIATING FAIR PRICES FOR MEDICARE PRESCRIPTION DRUGS.

(a) IN GENERAL.—Section 1860D–11 of the Social Security Act (42 U.S.C. 1395w–111), as amended by subsection (a), with such modifications as the Secretary may determine, is amended by striking subsection (i) (relating to noninterference) and by inserting the following:

(1) AUTHORITY TO NEGOTIATE PRICES WITH MANUFACTURERS.—In order to ensure that beneficiaries enrolled under prescription drug plans and MA–PD plans pay the lowest possible price, the Secretary shall have authority similar to that of other Federal entities that purchase prescription drugs in bulk to negotiate contracts with manufacturers of covered Part D drugs, consistent with the requirements and in furtherance of the goals of providing quality care and containing costs under this part.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of section 101 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173; 117 Stat. 2066).

(c) HHS REPORTS COMPARING NEGOTIATED PRICE DRUG PRICES AND RETAIL PRESCRIPTION DRUG PRICES.—In any year in which the Secretary of Health and Human Services makes reports pursuant to section 111 of the Social Security Act (42 U.S.C. 1395w–111), the Secretary shall, as soon as practicable, compare the average price a retail pharmacy would charge for the benefit of veterans. These savings may provide America’s seniors with fiscal relief from the increasing costs of prescription drugs.

Mr. SPECTER. Mr. President, I have sought recognition today to introduce the Prescription Drug and Health Improvement Act of 2005 to reduce the high prices of prescription drugs for Medicare beneficiaries. I introduced a similar version of this bill in the 108th Congress, S. 2766. To increase the likelihood that this bill may become law, this bill does not include a costly provision which would have closed the gap in prescription drug costs for Medicare beneficiaries.

Americans, specifically senior citizens, pay the highest prices in the world for prescription drugs. With 45 million uninsured Americans and many more senior citizens without an adequate prescription drug benefit, filling a doctor’s prescription is unaffordable for many people in this country. The United States has the greatest health care system in the world; however, too many seniors are forced to make difficult choices between life-sustaining prescription drugs and daily necessities.

The Centers for Medicare and Medicaid Services estimate that in 2004 per capita spending on prescription drugs rose approximately 12 percent, with a similar rate of growth expected for this year. Much of the increase in drug spending is due to higher utilization and the cost of older, lower cost drugs to newer, higher cost drugs. However, rapidly increasing drug prices are a critical component.

High drug prices, combined with the surging older population, are also taking a toll on an already private sector health insurance benefits. Medicaid spending on prescription drugs increased at an average annual rate of nearly 19 percent between 1998 and 2002. Until lower priced drugs are available, prescription drug prices would place a heavy burden on public programs at both the State and Federal level.

To address these problems, my legislation would reduce the high prices of prescription drugs to seniors by repealing the prohibition against interference by the Secretary of HHS with negotiations between drug manufacturers, pharmacies, and prescription drug plan sponsors and instead authorize the Secretary to negotiate contracts with manufacturers of prescription drugs. It will allow the Secretary of HHS to use Medicare’s large beneficiary population to leverage bargaining power to obtain lower prescription drug prices for Medicare beneficiaries.

Price negotiations between the Secretary of HHS and prescription drug manufacturers would be analogous to the ability of the Secretary of Veterans Affairs to negotiate prescription drug prices with manufacturers. This bargaining power enables veterans to receive prescription drugs at a significant cost savings. According to the National Association of Chain Drug Stores, the average “cash cost” of a prescription in 2001 was $40.22. The average cost in the Veterans Affairs (VA) health care system in fiscal year 2001 was $22.87.

In the 108th Congress, in my capacity as chairman of the Veterans’ Affairs Committee, I introduced the Veterans Prescription Drugs Assistance Act, S. 1153, which was reported out of committee, but was not considered before the full Senate. In the 109th Congress,
By Mr. THOMAS (for himself, Ms. SNOWE, Mr. ENZI, Mr. BINGMAN, Mr. ALEXANDER, Mr. TALMNT, Mr. ENSIGN, and Mr. SMITH):

S. 815. A bill to amend the Internal Revenue Code of 1986 to allow a 15-year applicable recovery period for depreciation of certain electric transmission property; to the Commission on Finance.

Mr. THOMAS. Mr. President, today I rise to introduce a bill to encourage the construction of electric transmission lines. One of the biggest energy problems our country faces is a lack of electric transmission capacity. Recently, my home State of Wyoming joined forces with Utah, Nevada, and California in a partnership to create a new transmission line—the Frontier Line—to send coal-generated electricity to the West.

Demand for electricity in the West has grown by 60 percent in the last two decades, while transmission capacity has grown by only 20 percent. But ours is certainly not the only region affected. Electric energy production and distribution is a serious issue affecting all Americans. From our dependence on foreign oil and natural gas, to limited refining capacity and distribution ability, never mind development of non-traditional fuels, we need to get our energy house in order. I have long-favored a comprehensive energy policy and will continue to champion that cause because it is badly needed and the right thing to do.

One piece of any energy policy needs to be providing for electric transmission capacity. If we’re producing a surplus in one area of the country but can’t convey it to other areas that need it, it doesn’t do anyone any good. The bill I introduce today will help alleviate the problem by making it less expensive to invest in electric transmission lines that we badly need.

I assure you that the text of this bill will be printed in the RECORD.

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

S. 815

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

SECTION 1. ELECTRIC TRANSMISSION PROPERTY TREATED AS 15-YEAR PROPERTY.

(a) IN GENERAL.—Subparagraph (E) of section 168(e)(3)(B) of the Internal Revenue Code of 1986 (relating to classification of certain property) is amended by inserting after “(E)” and “account” at the end of clause (v), by striking the period at the end of such clause, and “(E)(v) at the end of such clause, and

(b) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(3)(B) of the Internal Revenue Code of 1986 is amended by inserting after the item relating to subparagraph (E)(vi) the following:

(g) 15% 30% .
billions of dollars in non-performing ("free money") loans by China’s central banks in order to award a competitive advantage against foreign competition."

The Commission goes on to say that "in the case of China, the dramatic increase in subsidies has caused Chinese prices to drop by an average of 58 percent over the past two years in those product areas where quotas have been removed. As a result, China has gained a near monopoly share in these products over the last 24 months, taking 60 percent of the market."

However, the U.S. government has failed to file any complaints at the WTO despite the Chinese government’s repeated and widespread violations of WTO rules. Our government’s inaction is costing us millions of American jobs, crippling our manufacturing sector, distorting trade and investment patterns globally, and leaving hundreds of millions of Chinese workers vulnerable and mistreated.

Let me give you a concrete example of the violations that are occurring.

Counterfeit automotive products are a big problem in my home State of Michigan. Not only does it kill American jobs, but it has the potential to kill Americans as cheap shoddy automotive products replace legitimate ones of higher-quality.

The American automotive parts and components industry loses an estimated $12 billion in sales on a global basis to counterfeiting.

And, we don’t even keep statistics on the potential loss of life.

As many have said, we should understand that, if left unchecked, penetration by counterfeit automotive products, as well as other manufactured goods, has the potential to undermine the public’s confidence and trust in what they are buying. We can’t let that happen.

In Michigan, we lost 51,000 manufacturing jobs between 1989 and 2003 due to China’s unfair trade practices, according to the Economic Policy Institute. Unfortunately, the plant closings continue in Michigan and around the Nation. Over the past three months we see example after example of the damage a “wait and see” attitude has on workers in this country.

We could not be shirking our responsibilities to enforce trade rules. This Bill helps us reverse the course upon which we find ourselves—it helps us save American jobs.

I believe in trade and the benefits it can have for our manufacturers, farmers, and other industries. But, we need to have fair trade first and foremost.

A Special Trade Prosecutor would have the power to stand up for our manufacturers and farmers and make sure that other countries are holding up their end of their trade agreements. I ask unanimous consent that the text of the bill be printed in the RECORD, as follows:

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

S. 817
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. CREATION OF SPECIAL TRADE PROSECUTOR.

(a) ESTABLISHMENT OF POSITION.—Section 141(b)(2) of the Trade Act of 1974 (19 U.S.C. 2171(b)(2)) is amended as follows:

"(2) There shall be in the Office 3 Deputy United States Trade Representatives, 1 Chief Agricultural Negotiator, and 1 Special Trade Prosecutor. The 3 Deputy United States Trade Representatives, the Chief Agricultural Negotiator, and the Special Trade Prosecutor shall be appointed by the President, by and with the advice and consent of the Senate. As an exercise of the rulemaking power of the Senate, any nomination of a Deputy United States Trade Representative, the Chief Agricultural Negotiator, or the Special Trade Prosecutor submitted to the Senate for its advice and consent, and referred to a committee, shall be referred to the Committee on Finance. Each Deputy United States Trade Representative, the Chief Agricultural Negotiator, and the Special Trade Prosecutor shall hold office at the pleasure of the President and shall have the rank of Ambassador."

(b) FUNCTIONS OF POSITION.—Section 141(c) of the Trade Act of 1974 (19 U.S.C. 2171(c)) is amended by adding at the end the following new paragraph:

"(6) The principal function of the Special Trade Prosecutor shall be to ensure compliance with trade agreements relating to United States manufactured goods and services. The Special Trade Prosecutor shall have the authority to investigate and recommend prosecuting cases before the World Trade Organization and under trade agreements to which the United States is a party. The Special Trade Prosecutor shall recommend administering United States trade laws relating to foreign government barriers to United States goods and services. The Special Trade Prosecutor shall perform such other functions as the United States Trade Representative may direct.""

By Mr. JOHNSON:
S. 817. A bill to authorize the Secretary of the Interior to reallocate costs of the Pactola Dam and Reservoir, South Dakota, to reflect increased demands for municipal, industrial, and fish and wildlife purposes; to codify an agreement between the City of Rapid City, SD and the Rapid Valley Water Conservancy District for a water service contract. The renegotiated agreement reallocates the costs of the Pactola Dam to better reflect the City’s growing need for municipal water supply and the Rapid Valley District’s decreasing demand for irrigation.

The legislation implements an agreement to improve upon the current municipal, industrial, irrigation, recreation, and wildlife requirements of Rapid City and the Rapid Valley District. It is my hope that this legislation can be quickly approved to facilitate the completion of this contract.

I ask unanimous consent that the text of the Pactola Reservoir Reallocation Authorization Act be printed in the RECORD.

S. 819
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 “Pactola Reservoir Reallocation Authorization Act of 2005”.

SECTION 2. FINDINGS.
Congress finds that—

(1) it is appropriate to reallocate the costs of the Pactola Dam and Reservoir, South Dakota, to reflect increased demands for municipal, industrial, and fish and wildlife purposes; and
(2) section 302 of the Department of Energy Organization Act (42 U.S.C. 7152) prohibits such a reallocation of costs without congressional approval.

SECTION 3. REALLOCATION OF COSTS OF PACTOLA DAM AND RESERVOIR, SOUTH DAKOTA.
The Secretary of the Interior may, as provided in the contract of August 2001 entered into between Rapid City, South Dakota, and the Rapid Valley Water Conservancy District, re-allocate, in a manner consistent with Federal reclamation law (the Act of June 17, 1902 (32 Stat. 398, chapter 1093), and Acts supplementing and amending of that Act (43 U.S.C. 371 et seq.)), the construction costs of Pactola Dam and Reservoir, Rapid Valley Unit, Pick-Sloan Missouri Basin Program, South Dakota, from irrigation purposes to municipal, industrial, and fish and wildlife purposes.

By Mr. FEINGOLD (for himself and Ms. COLLINS):
S. 820. A bill to promote the development of health care cooperatives that will help businesses to pool the health care purchasing power of employers, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. FEINGOLD. Mr. President, today, along with my colleague from Maine, Senator Collins, I am introducing legislation to help businesses form group-purchasing cooperatives to obtain enhanced benefits, to reduce health care rates, and to improve quality for their employees’ health care.

High health care costs are burdening businesses and employees across the Nation. These costs are digging into profits and preventing access to affordable health care. Too many patients feel trapped by the system, with decisions about their health dictated by what their employers think they need, rather than by what they need.

Nationally, the annual average cost to an employer for an employee’s health care is $6,348. In my home State of Wisconsin it is even higher—the average cost there is $7,618. We must curb these rapidly increasing health care costs. I strongly support initiatives to ensure that everyone has access to health care. It is crucial that we support successful local initiatives to reduce health care premiums and to improve the quality of employees’ health care.

By using group purchasing to obtain rate discounts, some employers have been able to reduce the cost of health care.
care premiums for their employees. According to the National Business Coalition on Health, there are nearly 80 employer-led coalitions across the United States that collectively purchase health care. Through these pools, businesses are able to proactively challenge high costs and improve the delivery of health care and share information on quality. These coalitions represent over 10,000 employers nationwide.

Improving the quality of health care will also lower the cost of care. By investing in the delivery of quality health care, we will be able to lower long term health care costs. Effective care, such as quality preventive services, can reduce overall health care expenditures. Health purchasing coalitions help promote these services and act as an employer forum for networking and education on health care cost containment strategies. They can help foster a dialogue with health care providers and influence local HMOs. Health care markets are local. Problems with cost, quality, and access to health care are felt most intensely in the local markets. Health care coalitions can function best when they are formed around the incumbent local employers.

Local employers of large and small businesses have formed health care coalitions to track health care trends, create a demand for quality and safety, and encourage group purchasing.

In recent years, there have been various successful initiatives that have formed health care purchasing cooperatives to improve quality of care and to reduce cost. For example, the Employer Health Care Alliance Cooperative, an employer-owned and employer-directed not-for-profit cooperative, has developed a network of health care providers in Dane County and 12 surrounding counties on behalf of its 160 member employers. Through this pooling effort, employers are able to obtain affordable, high-quality health care for their 87,500 employees and dependents.

This legislation seeks to build on successful local initiatives, such as the Alliance, that help businesses to join together to increase access to affordable and high-quality health care.

The Promoting Health Care Purchasing Cooperatives Act would authorize grants to a group of businesses so that they could form group-purchasing cooperatives to obtain enhanced services, reduce group health care rates, and improve quality.

This legislation offers two separate grant programs to help different types of businesses pool their resources and bargaining power. One program would aid businesses to form cooperatives. The first program would help large businesses that sponsor their own health plans, while the second program would help small businesses that purchase their health insurance.

My legislation would aid larger businesses to form cost-effective cooperatives that could offer quality health care through several ways. First, they could obtain health services through pooled purchasing from physicians, hospitals, home health agencies, and others. By pooling their experience and interests, employers involved in a coalition could better address essential issues, such as rising health insurance rates and incomparable health care quality data. They would be able to share information regarding the quality of these services and to partner with these health care providers to meet the needs of their employees.

For smaller businesses that purchase health insurance, the formation of cooperatives would allow them to buy health insurance at lower prices through pooled purchasing. Also, the communication within these cooperatives would provide employees of small businesses with better information about the health care options that are available to them. Finally, coalitions would serve to promote quality improvements by facilitating partnerships between the group and the health care providers.

By working together, the group could develop better quality insurance plans and negotiate better rates. This legislation also tries to alleviate the burden that our Nation’s farmers face when trying to purchase health care for themselves, their families, and their employees. Because the health insurance industry looks upon farming as a high-risk profession, many farmers are priced out of, or simply not offered, health insurance. By helping farmers join cooperatives to purchase health insurance, we will help increase their health insurance options.

Past health purchasing pool initiatives have focused only on cost and have tried to be all things for all people. My legislation creates an incentive to join the pools by giving grants to a group of similar businesses to form group-purchasing cooperatives. The pools are also given flexibility to find innovative ways to lower costs, such as enhancing benefits, for example, more preventive care and improving quality. Finally, the cooperative structure is a proven model, which creates an incentive for businesses to remain in the pool because they will be invested in the organization.

I am pleased that this bill is supported by the National Business Coalition on Health, an organization that already understands that allowing businesses to come together to increase their health care purchasing power can lead to an increase in health care quality, and a decrease in health care costs.

We must reform health care in America and give employers and employees more options. This legislation, by providing for the formation of cost-effective coalitions that will also improve the quality of care, contributes to this effort. I urge my colleagues to join me in cosponsoring this proposal to improve the quality and costs of health care.

I am asking 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:

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress makes the following findings:

(1) Health care spending in the United States has reached 15 percent of the Gross Domestic Product of the United States, yet 45,000,000 people, or 15.6 percent of the population, remains uninsured.

(2) After nearly a decade of manageable increases in commercial insurance premiums, many employers are now faced with consecutive years of double digit premium increases.

(3) Purchasing cooperatives owned by participating businesses are a proven method of influencing the bargaining power necessary to manage the cost and quality of employer-sponsored health plans and other employee benefits.

(4) The Employer Health Care Alliance Cooperative has provided its members with health care purchasing power through provider contracting, data collection, activities to enhance quality improvements in the health care community, and activities to promote employee health care consumerism.

(b) PURPOSE.—It is the purpose of this Act to build off of successful local employer-led health insurance initiatives by improving the value of their employees' health care.

SEC. 3. GRANTS TO SELF-INSURED BUSINESSES TO FORM HEALTH CARE COOPERATIVES.

(a) AUTHORIZATION.—The Secretary of Health and Human Services (in this Act referred to as the ‘‘Secretary’’), acting through the Director of the Agency for Healthcare Research and Quality, is authorized to award grants to eligible groups that meet the criteria described in subsection (d), for the development of health care purchasing cooperatives. Such grants may be used to provide support for the professional staff of such cooperatives, and to obtain contracted services for planning, development, and implementation activities, including such health care purchasing cooperatives.

(b) ELIGIBLE GROUP DEFINED.—

(1) IN GENERAL.—In this section, the term ‘‘eligible group’’ means a consortium of 2 or more self-insured employers, including agricultural producers, each of which is responsible for their own health insurance risk pool with respect to their employees.

(2) NO TRANSFER OF RISK.—Individual employers who are members of an eligible group may not transfer insurance risk to such group.

(c) APPLICATION.—An eligible group desiring a grant under this section shall submit to the Secretary an application in such manner, and accompanied by such information as the Secretary may require.

(d) CRITERIA.—

(1) FEASIBILITY STUDY GRANTS.—

(A) IN GENERAL.—An eligible group may submit an application under subsection (c)
for a grant to conduct a feasibility study concerning the establishment of a health insurance purchasing cooperative. The Secretary shall approve applications submitted under this section if the study will consider the criteria described in paragraph (2).

(B) REPORT.—After completion of the feasibility study under this section, the group shall submit the report to the Secretary a report describing the results of such study.

(2) GRANT CRITERIA.—The criteria described in this paragraph include the following with respect to the eligible group:

(A) The ability of the group to clearly state its identity and purposes in order to effectively pool the health care purchasing power of employers.

(B) The ability of the group to provide data to employers to enable such employers to make data-based decisions regarding their health plans.

(C) The ability of the group to drive quality improvement in the health care community.

(D) The ability of the group to develop health care consumerism through employee education, self-care, and comparative provider performance information.

(E) The ability of the group to meet any other criteria determined appropriate by the Secretary.

(e) COOPERATIVE GRANTS.—After the submission of a report by an eligible group under subsection (a), the Secretary shall determine whether to award the group a grant for the establishment of a cooperative under subsection (a). In making a determination under the preceding sentence, the Secretary shall consider the criteria described in subsection (d)(2) with respect to the group.

(2) AUTHORIZED COOPERATIVE ACTIVITIES.—A cooperative established under paragraph (1) shall—

(A) be a nonprofit organization;

(B) be wholly owned, and democratically governed by its member-employers;

(C) exist solely to serve the membership base;

(D) be governed by a board of directors that is democratically elected by the cooperative membership using a 1-member, 1-vote standard; and

(E) accept any new member in accordance with specific criteria, including a limitation on the number of members, determined by the Secretary.

(f) INDIVIDUAL DETERMINATIONS.—Each individual contribution in accordance with subsection (a) shall—

(A) address the number of members determined by the Secretary to be necessary.

(g) REVIEW.—

(1) IN GENERAL.—Not later than 1 year after the date on which grants are awarded under this subsection, and every 2 years thereafter, the Secretary shall submit to the Committees on Energy and Natural Resources and Finance a report describing the results of such studies.

(h) REQUIREMENT.—The Secretary shall make a grant to an eligible group under subsection (a), and shall approve an application submitted under this section, only if the Secretary determines that programs funded under grants under this section are self-sufficient within 10 years.

2. SEC. 4. GRANTS TO SMALL BUSINESSES TO FORM COOPERATIVES.—

The Secretary shall carry out a grant program that is identical to the grant program provided in section 3, except that an eligible group for the cooperation shall be a consortium of 2 or more employers, including agricultural producers, each of which—

(1) have 99 employees or less; and

(2) are purchasers of health insurance (are not self-insured) for their employees.

3. SEC. 5. AUTHORIZATION OF APPROPRIATIONS.—

From the administrative funds provided to the Secretary, the Secretary may use not more than a total of $20,000,000 for fiscal years 2006 through 2015 to carry out this Act.

Ms. MURKOWSKI, Mr. President, I rise today to follow the Alaska Senator Ted STEVENS to introduce legislation concerning a complex issue, the Quality Bank that is used to facilitate payments between shippers using the Trans-Alaska Oil Pipeline System to reflect variations in crude oil’s physical and chemical properties.

The Quality Bank is to make monetary adjustments so that each shipper is in the same economic position it would enjoy if it received the same oil in Valdez that it delivered to TAPS on the state’s North Slope.

The methodology used to determine Quality Bank payments has been a subject of controversy since the Quality Bank’s creation. The problem arises because there is no independent market for the crude injected on the North Slope and thus the Secretary must determine its value. This methodology is set by the Federal Energy Regulatory Commission. Since the early 1980s, FERC-approved methodologies have been challenged in court and revised multiple times. In 1993, the majority of North Slope shippers proposed and FERC approved a settlement calling for the use of a “distillation” methodology, which would value crude oil based on the market price of various cuts created when the components are separated based on different boiling points—the distillation process. This methodology replaced the former “gravity” methodology where oil was valued based on its relative gravity.

Since 1993, disputes have focused largely on the valuation of cuts at the highest boiling points—the “Heavy Distillate” cut that evaporates at temperatures between 350 and 650 degrees F. and the Resid, residual, cut, which includes the portion remaining after distillation of all other cuts at boiling points up to 1050 degrees F. Two additional cuts are also at issue, the VGO and Naphtha cuts.

In 1997, responding to a D.C. Circuit Court of Appeals ruling, FERC approved a settlement with a revised valuation methodology for Distillate and Resid. Under the FERC order, the new valuation methodologies were to be applied on a prospective basis only.

Later, the D.C. Circuit in 1999 told FERC to revise some details of the Resid valuation and also held that FERC had “failed to provide an adequate explanation” as to why the new methodology should not be made retroactive to 1993.

Responding to the ruling, the Administrative Law Judge, who in 1997 had decided that all changes should only apply prospectively, reversed his position and released a decision in August 2004 calling for changes in the Resid methodology applied retroactively, in the case of Resid to as far back as 1993. In addition, the administrative law judge decided to apply new valuations for VGO and Naphtha, prospectively. Currently, the judge’s decision is pending a final decision by the FERC on whether to impose the Initial Decision or alter it.

There are clearly major public policy implications resulting from this Quality Bank issue. While the bank is a “zero sum” game as far as money paid in and out of the bank is concerned, the impacts on the parties and thus the citizens of Alaska are anything but equal.
For decades Alaskans suffered under the impacts of having to import all refined fuel products into the State from West Coast refineries. Besides higher prices caused by transportation, that left the State wholly dependent on fuel supplies, making the 2,000 miles on average to reach Alaska consumers—sometimes through bad weather and difficult sea conditions. With the construction of in-State refineries, Alaskans finally saw greater security in supply, less considered when weather foreboded arriving, and the possibility of lower fuel prices because of potentially reduced transportation costs. The greater dependability of fuel supplies improved aviation freight shipments at the Anchorage and Fairbanks international airports, helping create jobs in air freight and related industries.

But the decision of the Administrative Law Judge to apply new Quality Bank methodology assessments retroactively for oil movements from in-State refineries to risk at any time after December 31, 2005, FERC still will be able to change the methodology for determining the value of oil flowing through the pipeline but will not be permitted to apply changes to Quality Bank valuation methodologies on anything other than a prospective basis. We have proposed this provision to prevent this legal nightmare from happening again. This provision will first eliminate the perverse current incentive for all sides to promote further litigation regarding Quality Bank valuations based on the expectation of a retroactive application of methodologies that would result in a large economic windfall. The retroactive application of valuation methodology changes encourages the sides in a dispute to sue in hopes of gaining a larger benefit in the future. This is a “lottery,” however, that Alaska’s are guaranteed to lose.

By setting December 31, 2005, as the date that FERC can no longer apply Quality Bank valuation methodologies retroactively, all litigation and future disputes must be resolved by the end of this year. Requiring FERC to apply valuation methodology changes in connection with any future disputes on a prospective basis only will eliminate the risk and uncertainty associated with the prospect of nearly unlimited retroactive application of Quality Bank payment methodology changes. That will allow banks and participants to be able to conduct business with the certainty of knowing that prices received and paid for oil today cannot be altered years down the road. In addition, this will eliminate the strong incentive that currently exists for some parties to engage in endless litigation, in hopes of gaining windfall benefits from retroactive application changes.

While we continue to call on all sides in the current dispute to compromise and settle this case now, this bill will discourage if not eliminate this type of dispute in the future—a benefit for all Alaskans.

Mr. STEVENS. Mr. President, I join my colleagues, Senator Lisa Murkowski, in introducing legislation pertaining to the Trans Alaska Pipeline System (TAPS) and the Quality Bank.

The Quality Bank was created to balance accounts among oil producers on Alaska’s North Slope, who produce crude oil of different qualities and value from different oil fields. When the oil is delivered at Pump Station No. 1, it is commingled and transported by TAPS to Valdez, Alaska, where it is shipped by tanker to the lower 48 States.

This Quality Bank accounting concept also applies to oil refineries in my State who receive needed crude oil from TAPS, refine various petroleum products, and return the refined products to the pipeline. The methodology used to determine these payments has been the subject of dispute since the Bank’s inception, creating uncertainty in the market and a chilling effect on business investment in Alaska.

In 1989, a legal proceeding was initiated at the Federal Energy Regulatory Commission (FERC) that in 1993 changed the methodology under which “Quality Banks” in Alaska were operated. After 15 long and protracted years of legal proceedings before FERC, an Administrative Law Judge issued an Initial Decision proposing to Congress to change the Quality Bank methodology so that the parties assumed they were operating under since 1993. It proposes instead a new complex set of valuations that the parties could not have predicted and that have very large financial impacts, especially for the parties. Significantly, this decision also proposes to apply the most significant of these new valuations retroactively, all the way back to 1993.

The Administrative Law Judge’s decision to apply this new methodology retroactively puts Alaska’s in-State refineries at risk at a time when the United States can ill afford to lose its limited refining capacity.

Even the potential impact should FERC decide to adopt the ALJ’s decision, Congress included legislative language in the Fiscal Year 2005 Consolidated Appropriations conference report expressing its concern over this issue. Congress urged FERC to carefully consider the specific equities of this case to prevent special hardship, inequity, or an unfair distribution of burdens to any party, to assess the equity of assigning retroactivity, and to resolve the matter in a fair and equitable manner.

In addition, the State’s Congressional Delegation urged the parties to reach a settlement to end over 15 years of litigation and bring finality to this issue. Despite repeated calls for settlement, the parties appear to have made little or no progress towards this end.

The issue of retroactivity and its application in the aforementioned case is particularly given more clear Congressional action on the subject. Congress’ silence on the subject has given the parties incentive to prolong litigation and pursue appeals until they receive a ruling which is beneficial to them.

To remedy this situation and prevent similar disputes in the future, we are introducing this legislation to limit FERC’s ability to assign retroactivity in matters pertaining to the Quality Bank. This legislation is necessary to limit business uncertainty associated with the use of the Trans Alaska Pipeline System, and to ensure continued
domestic refinery activity in order to protect national fuel supplies.

SUBMITTED RESOLUTIONS
S. Res. 111

Whereas on August 31, 1991, the Kyrgyz Republic declared independence from the Soviet Union;

Whereas the Kyrgyz Republic was ruled by President Askar Akayev from October 1991 to April 2005;

Whereas as the Kyrgyz Republic held a first round of parliamentary elections on February 27, 2005;

Whereas the United States Government recognized several areas of improvement in the parliamentary elections in the Kyrgyz Republic, including competitive elections and the active participation of civil society, but it noted the elections fell short of the commitments of the Kyrgyz Republic to the Organization for Security and Cooperation in Europe (OSCE) and other international entities to fully meet the accepted criteria for democratic elections;

Whereas nation-wide demonstrations sparked by the flawed parliamentary elections in the Kyrgyz Republic led to the departure of President Akayev and the collapse of his government on March 22, 2005;

Whereas Askar Akayev officially resigned as President of the Kyrgyz Republic on April 4, 2005;

Whereas the Kyrgyz people, through their actions, have created an opportunity for a democratic and stable future for the Kyrgyz Republic;

Whereas the interim government in the Kyrgyz Republic can earn the confidence of the Kyrgyz people and the international community by abiding by its commitment to hold free and fair presidential elections on July 10, 2005, and by ensuring that the members of the new parliament in the Kyrgyz Republic represent the choice of the Kyrgyz people;

Whereas the interim government in the Kyrgyz Republic can move towards resolving the political crisis in the Kyrgyz Republic in a way that confirms the will of the Kyrgyz people by working closely with its immediate neighbors and with the OSCE;

Whereas the United States strongly supports efforts by the OSCE to work with the Kyrgyz Republic to achieve democratic institutions in the Kyrgyz Republic, which will provide the foundation for political stability in the Kyrgyz Republic;

Whereas the United States and the Kyrgyz Republic value a good relationship;

Whereas the United States provides humanitarian assistance, nonlethal military assistance, and assistance to support economic and political reforms as part of the democratic transition process in the Kyrgyz Republic; and

Whereas security in the Kyrgyz Republic remains a top concern of the United States due to its strong support of the United States in the global war on terrorism: Now, therefore, be it

Resolved, That the Senate—

(1) welcomes the official resignation of Askar Akayev as President of the Kyrgyz Republic;

(2) acknowledges and welcomes the close relationship formed between the United States and the Kyrgyz Republic since it declared independence from the Soviet Union on August 31, 1991;

(3) supports the sovereignty, independence, and territorial integrity of the Kyrgyz Republic;

(4) urges the continuation of strong support for democratic reform, including respect for the rule of law and human rights, in the Kyrgyz Republic;

(5) urges the interim government in the Kyrgyz Republic to move swiftly toward the democratic transition process by the Kyrgyz people by holding free, fair, and transparent presidential elections on July 10, 2005, and by ensuring that the new parliament in the Kyrgyz Republic represent the choice of the Kyrgyz people; and

(6) urges the people of the Kyrgyz Republic to take advantage of the readiness of the Organization for Security and Cooperation in Europe (OSCE) to expand its assistance in preparing for free and fair presidential elections in the Kyrgyz Republic as the foundation of political legitimacy and stability in the Kyrgyz Republic.

SENATE RESOLUTION 112—DESIGNATING THE THIRD WEEK OF APRIL IN 2005 AS ‘‘NATIONAL SHAKEN BABY SYNDROME AWARENESS WEEK’’

Mr. DODD (for himself, Mr. ALEXANDER, Mr. BAYH, Mr. BINGAMAN, Ms. CANTWELL, Mr. COLEMAN, Ms. COLLINS, Mr. DAYTON, Mr. DURBIN, Mr. INOUYE, Mr. JOHNSON, Ms. LANDREIUS, Mr. LEVIN, Mr. LIEBERMAN, Mrs. MURRAY, Mr. SAINETTE, Mr. SCHUMER, Mr. SPECTER, Mr. SNOWE, and Mrs. SNOWE) submitted the following resolution; which was considered and agreed to:

S. Res. 112

Whereas the month of April has been designated ‘‘National Child Abuse Prevention Month’’ as an annual tradition that was initiated in 1979 by former President Jimmy Carter;

Whereas the most recent National Child Abuse and Neglect Data System (NCANDS) figures show that almost 900,000 children were victims of abuse and neglect in the United States in 2002, causing unspeakable pain and suffering to our most vulnerable citizens;

Whereas among the children who are victims of abuse and neglect, nearly 4 children die each day in this country;

Whereas children age 1 and younger accounted for 76.1 percent of all abuse and neglect fatalities in 2002, and children age 4 and younger accounted for 76.1 percent of all child abuse and neglect fatalities in 2002;

Whereas abuse, including the trauma known as Shaken Baby Syndrome, is recognized as the leading cause of death of physically abused children;

Whereas Shaken Baby Syndrome is a totally preventable form of child abuse, caused by a caregiver losing control and shaking a baby that is usually less than 1 year in age;

Whereas Shaken Baby Syndrome results in loss of vision, brain damage, paralysis, seizures, or death;

Whereas according to reports in the Journal of the American Medical Association estimates that, in the United States, an average of 300 children will die each year, and 600 to 1,200 more will be injured, of whom 2 children will die each year, and 600 to 1,200 more will be injured, of whom 2 of whom 2⁄3 will be babies or infants under 1 year in age, as a result of Shaken Baby Syndrome, with many cases resulting in severe and permanent disabilities;

Whereas medical professionals believe that thousands of additional cases of Shaken Baby Syndrome are being misdiagnosed or not detected;

Whereas Shaken Baby Syndrome often results in permanent, irreparable brain damage or death to an infant and may result in more than $1,000,000 in medical costs to care for a single, disabled child in just the first few years of life;

Whereas the most effective solution for ending Shaken Baby Syndrome is to prevent such abuse, and it is clear that the minimal costs of education and prevention programs far outweigh the enormous medical and disability costs and untold grief for many families;

Whereas prevention programs have demonstrated that education does not just prevent the danger of shaking young children and how they can help protect their child from injury can bring about a significant reduction in the number of cases of Shaken Baby Syndrome;

Whereas education programs have been shown to raise awareness and critically important information about Shaken Baby Syndrome to parents, caregivers, daycare workers, child protection employment, law enforcement, health care professionals, and legal representatives;

Whereas efforts to prevent Shaken Baby Syndrome are supported by advocacy groups across the United States that were formed by parents and relatives of children who have been killed or injured by shaking, such as the National Shaken Baby Coalition, the Shaken Baby Association, the SHAKKER (Shaking Kills: Instead Parents Please Educate and Remember) Initiative, the Shaken Baby Alliance, Shaken Baby Prevention, Inc., A Voice for Gabbie, Don’t Shake Jake, and the Kierra Harrison Foundation, whose mission is to educate the general public and professionals about Shaken Baby Syndrome and to increase support for victims and victim’s families in the health care and criminal justice systems;

Whereas child abuse prevention programs and ‘‘National Shaken Baby Syndrome Awareness Week’’ are supported by the National Shaken Baby Coalition, the National Center on Shaken Baby Syndrome, the Children’s Defense Fund, the American Academy of Pediatrics, the Child Welfare League of America, Prevent Child Abuse America, the National Child Abuse Coalition, the National Exchange Club Foundation, the American Humane Association, the American Professional Society on the Abuse of Children, the Arc of the United States, the Association of University Centers on Disabilities, Children’s Healthcare is a Legal Duty, Family Partnership, Family Voices, National Alliances and Coalition Prevention Funds, United Cerebral Palsy, the National Association of Children’s Hospitals and Related Institutions, New York State and Arizona/Prevent Child Abuse Arizona, the Center for Child Protection and Family Support, and many other organizations;

Whereas a 2001 survey of Prevent Child Abuse America shows that half of all Americans believe that of all the public health issues facing this country, child abuse and neglect is the most important;

Whereas Congress previously designated the third week of April 2001 as ‘‘National Shaken Baby Syndrome Awareness Week’’; and

Whereas Congress strongly supports efforts to protect children from abuse and neglect:

Resolved, That the Senate—

(1) designates the third week of April in 2005 as ‘‘National Shaken Baby Syndrome Awareness Week’’; and

(2) encourages the people of the United States to remember the victims of Shaken Baby Syndrome and to participate in educational programs to help prevent Shaken Baby Syndrome.

AMENDMENTS SUBMITTED AND PROPOSED

SA 447. Mr. WYDEN (for himself, Mr. SMITH, and Mrs. MURRAY) submitted an