INOUYE), the Senator from Wyoming (Mr. THOMAS), the Senator from Nevada (Mr. ENSIGN), the Senator from Montana (Mr. BAUCUS), the Senator from North Dakota (Mr. CONRAD), the Senator from Vermont (Mr. JEFFORDS) and the Senator from Idaho (Mr. CHAFEE) were added as cosponsors of S. 806, a bill to amend title 38, United States Code, to provide a traumatic injury protection rider to servicemembers insured under section 1967(a)(1) of such title.

S. 859

At the request of Mr. SANTORUM, the name of the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of S. 859, a bill to amend the Internal Revenue Code of 1986 to allow an income tax credit for the provision of homeownership and community development, and for other purposes.

S.J. RES. 11

At the request of Mrs. FEINSTEIN, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. J. Res. 11, a joint resolution proposing an amendment to the Constitution of the United States to abolish the electoral college and to provide for the direct popular election of the President and Vice President of the United States.

S.J. RES. 15

At the request of Mr. BINGAMAN, his name was added as a cosponsor of S. J. Res. 15, a joint resolution proposing an amendment to the Constitution of the United States to abolish the electoral college and to provide for the direct popular election of the President and Vice President of the United States.

S. CON. RES. 11

At the request of Mr. SESSIONS, the names of the Senator from Colorado (Mr. ALLARD), the Senator from Alaska (Mr. STEVENS), the Senator from Illinois (Mr. OBAMA), the Senator from Georgia (Mr. ENSIGN) and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. Con. Res. 11, a concurrent resolution honoring the Tuskegee Airmen for their bravery in fighting for our freedom in World War II, and for their contribution in creating an integrated United States Air Force.

S. RES. 40

At the request of Ms. LANDRIEU, the name of the Senator from Colorado (Mr. SALAZAR) was added as a cosponsor of S. Res. 40, a resolution supporting the goals and ideas of National Time Out Day to promote the adoption of the Joint Commission on Accreditation of Healthcare Organizations' universal protocol for preventing errors in the operating room.

S. RES. 85

At the request of Mr. BINGAMAN, his name was added as a cosponsor of S. Res. 85, a resolution designating July 23, 2005, and July 22, 2006, as “National Day of the American Cowboy”.

S. RES. 107

At the request of Ms. COLLINS, the name of the Senator from Kansas (Mr. BROWNBACK) was added as a cosponsor of S. Res. 107, a resolution commending Anne M. Wagner, Chief Judge of the District of Columbia court of Appeals, for her public service.

S. RES. 115

At the request of Mr. SALAZAR, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. Res. 115, a resolution designating May 2005 as “National Cystic Fibrosis Awareness Month”.

AMENDMENT NO. 368

At the request of Mr. CORZINE, the name of the Senator from Illinois (Mr. OBAMA) was added as a cosponsor of amendment No. 368 proposed to H.R. 1268, an act making Emergency Supplemental Appropriations for Defense, the Global War on Terror, and Tsunami Relief, for the fiscal year ending September 30, 2005, and for other purposes.

AMENDMENT NO. 417

At the request of Mr. ROCKEFELLER, the names of the Senator from Michigan (Mr. LEVIN), the Senator from New Jersey (Mr. CORZINE), the Senator from Oregon (Mr. WYDEN), the Senator from Maryland (Ms. MUKULSKI) and the Senator from Connecticut (Mr. DODD) were added as cosponsors of amendment No. 417 intended to be proposed to H.R. 1268, an act making Emergency Supplemental Appropriations for Defense, the Global War on Terror, and Tsunami Relief, for the fiscal year ending September 30, 2005, and for other purposes.

AMENDMENT NO. 438

At the request of Mr. CRAIG, the names of the Senator from Colorado (Mr. SALAZAR), the Senator from South Dakota (Mr. THUNE), the Senator from Illinois (Mr. OBAMA), the Senator from Missouri (Mr. BOND), the Senator from Maine (Mrs. SANCHEZ), the Senator from New Mexico (Mr. BINGAMAN), the Senator from Hawaii (Mr. MURkowski), the Senator from Wisconsin (Mr. FEINGOLD), the Senator from Nebraska (Mr. FEINGOLD), the Senator from Georgia (Mr. BURRIE), the Senator from Wyoming (Mr. THOMAS), the Senator from Nevada (Mr. ENSIGN), the Senator from Montana (Mr. BAUCUS), the Senator from North Dakota (Mr. CONRAD), the Senator from Vermont (Mr. JEFFORDS) and the Senator from Idaho (Mr. CRAPPO) were added as cosponsors of amendment No. 439 intended to be proposed to H.R. 1268, an act making Emergency Supplemental Appropriations for Defense, the Global War on Terror, and Tsunami Relief, for the fiscal year ending September 30, 2005, and for other purposes.

AMENDMENT NO. 497

At the request of Mr. ENSIGN, the names of the Senator from Montana (Mr. BURNS) and the Senator from Oklahoma (Mr. COBURN) were added as cosponsors of amendment No. 497 proposed to H.R. 1268, an act making Emergency Supplemental Appropriations for Defense, the Global War on Terror, and Tsunami Relief, for the fiscal year ending September 30, 2005, and for other purposes.

AMENDMENT NO. 528

At the request of Mr. BAYH, the names of the Senator from Massachusetts (Mr. KENNEDY), the Senator from Washington (Ms. CANTWELL) and the Senator from Florida (Mr. Nelson) were added as cosponsors of amendment No. 520 proposed to H.R. 1268, an act making Emergency Supplemental Appropriations for Defense, the Global War on Terror, and Tsunami Relief, for the fiscal year ending September 30, 2005, and for other purposes.

AMENDMENT NO. 563

At the request of Mr. LEVIN, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of amendment No. 563 proposed to H.R. 1268, an act making Emergency Supplemental Appropriations for Defense, the Global War on Terror, and Tsunami Relief, for the fiscal year ending September 30, 2005, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. HUTCHISON:

S. 866. A bill to amend title II of the Social Security Act to repeal the windfall elimination provision and protect the retirement of public servants; to the Committee on Finance.

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

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

S. 866

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 “Public Servant Retirement Protection Act of 2005”.

SEC. 2. REPEAL OF CURRENT WINDFALL ELIMINATION PROVISION.

(a) SUBSTITUTION OF PROPORTIONAL FORMULA FOR FORMULA BASED ON COVERED PORTION OF PENSION.

(1) IN GENERAL.—Section 215(a) of the Social Security Act (as amended by section 2 of this Act) is amended further by inserting after paragraph (6) the following new paragraph:

“(7)(A) In the case of an individual whose primary insurance amount would be computed under paragraph (1) of this subsection, who—

“(i) attains age 62 after 1985 (except where he or she became entitled to a disability insurance benefit before 1986 and remained so entitled in any of the 12 months immediately preceding his or her attainment of age 62), or

“(ii) would attain age 62 after 1985 and become entitled for a disability insurance benefit after 1985, and who first becomes eligible after 1985 for a monthly periodic payment (including a
payment determined under subparagraph (E), but excluding (I) a payment under the Railroad Retirement Act of 1974 or 1937, (II) a payment by a social security system of a foreign country pursuant to section 233, and (III) a payment based wholly on service as a member of a uniformed service (as defined in section 210) which is based in whole or in part upon his or her earnings for service which did not constitute ‘employment’ as defined in this paragraph, which are provided to the Commissioner and are for purposes of clause (i). Such method shall be—

(B) The primary insurance amount of an individual determined in subparagraph (A), as computed or recomputed under this paragraph, shall be—

(i) in the case of an individual who first performs noncovered service after the 12th calendar month following the date of the enactment of the Public Servant Retirement Protection Act of 2005, the primary insurance amount determined under subparagraph (C), or

(ii) in the case of an individual who has performed noncovered service during or before the 12th calendar month following the date of the enactment of the Public Servant Retirement Protection Act of 2005, the larger of—

(I) the primary insurance amount determined under subparagraph (C), or

(II) the primary insurance amount determined under subparagraph (E).

(C) An individual’s primary insurance amount determined under this subparagraph shall be the product of the primary insurance amount of the individual (as determined under subparagraph (D)(i)) and—

(i) the numerator of which is the individual’s average indexed monthly earnings (as determined without regard to subparagraph (D)(ii)), and

(ii) the denominator of which is an amount equal to the average indexed monthly earnings of the individual (as determined under subparagraph (D)(ii)), rounded, if not a multiple of $10, to the next lower multiple of $10.

(D) For purposes of determining an individual’s primary insurance amount pursuant to subparagraph (C)(i), the individual’s average indexed monthly earnings shall be determined for all service performed after 1950 on which the individual’s monthly periodic payment referred to in subparagraph (A) is based (other than noncovered service for which a uniformed service benefit is based and which is treated as ‘employment’ solely for purposes of clause (I)). Such method shall provide for a reference to employment records which, as determined by the Commissioner, constitute a reasonable basis for treatment of service as ‘employment’ for such purposes, together with such other information received by the Commissioner (including such documentary evidence of earnings derived from service referred to in subparagraph (A) which is provided to the Commissioner by the individual) as the Commissioner may consider appropriate as a reasonable basis for treatment of service as ‘employment’ for such purposes. The Commissioner shall enter into such arrangements as are necessary and appropriate with the Department of the Treasury, the Department of Labor, the Federal agencies and agencies of States and political subdivisions thereof so as to secure satisfactory evidence of earnings for purposes of subparagraph (A) for purposes of this clause and clauses (iii) and (iv), The Secretary of the Treasury, the Secretary of Labor, and the other Federal agencies are authorized and directed to cooperate with the Commissioner and, to the extent permitted by law, to provide such employment records and other information as the Commissioner may request for their assistance in the performance of the Commissioner’s functions under this clause and clauses (iii) and (iv).

(iii) In any case in which satisfactory evidence of earnings for noncovered service which was performed by an individual during any year or portion of a year after 1977 is not otherwise available, the Commissioner may, for purposes of clause (ii), accept as satisfactory evidence of such individual’s earnings for such noncovered service during such year or portion of a year (on, and not before, April 21, 2005) reasonable extrapolations from available information with respect to earnings for noncovered service of such individual for periods immediately preceding and following such year or portion of a year.

(iv) In any case in which satisfactory evidence of earnings for noncovered service which was performed by an individual before 1978 is not otherwise available, the Commissioner may, for purposes of clause (ii), accept as satisfactory evidence of such individual’s earnings for such noncovered service during such period—

(1) the individual’s written attestation of such earnings, if such attestation is corroborated by at least 1 other individual who is knowledgeable of the relevant facts, or

(2) available information regarding the average earnings for noncovered service for the same period for individuals in similar positions in the same profession in the same period for individuals in similar professions for whom the Commissioner, to the extent permitted by law, may consider such information as satisfactory evidence of such individual’s earnings for such noncovered service.

(E)(i) For purposes of determining the primary insurance amount under paragraph (1) of this subsection, except that such second amount shall be reduced by an amount equal to one-half of the portion of the monthly benefit which is attributable to noncovered service performed after 1956 (with such attribution being based on the proportionate number of years of such noncovered service) and in which the individual is entitled (or is deemed to be entitled) for the initial month of his or her concurrent entitlement to such monthly periodic payment to basic old-age or disability insurance benefits.

An individual’s primary insurance amount determined under this subparagraph shall be the larger of the two amounts computed under this clause (before the application of subsection (i)).

(ii) For purposes of clause (i), the percent specified in this clause is—

(I) 80.0 percent with respect to individuals who become eligible (as defined in paragraph (3)(B)) for old-age insurance benefits or became eligible as so defined for disability insurance benefits before attaining age 62 in 1986;

(II) 70.0 percent with respect to individuals who so became eligible in 1987;

(III) 60.0 percent with respect to individuals who so became eligible in 1988;

(IV) 50.0 percent with respect to individuals who so became eligible in 1989;

(V) 40.0 percent with respect to individuals who so become eligible in 1990 or thereafter.

(F)(i) Any periodic payment which otherwise meets the requirements of subparagraph (A), but which is paid on other than a monthly basis, shall be allocated on a basis equivalent to a monthly payment (as determined by the Commissioner of Social Security), and such equivalent monthly payment shall constitute a monthly periodic payment for purposes of this paragraph.

(ii) In the case of an individual who has elected to receive a periodic payment that has been reduced so as to provide a survivor’s benefit to any other individual, the payment shall be deemed to be increased (for purposes of any computation under this paragraph or subsection (d)(3)) by the amount of such reduction.

(iii) For purposes of this paragraph, the term ‘periodic payment’ includes a payment attributable to a monthly payment (as determined by the Commissioner of Social Security), and such equivalent monthly payment shall constitute a monthly periodic payment for purposes of this paragraph.

(G)(i) This paragraph shall not apply in the case of an individual who has 30 years or more of coverage.

(ii) For purposes of this paragraph, the term ‘covered service’ includes service during any period before 1978 in which an individual is deemed to be a reference to 25 percent. (H) An individual’s primary insurance amount determined under this paragraph...
shall be deemed to be computed under paragraph (1) of this subsection for the purpose of applying other provisions of this title.

"(i) This paragraph shall not apply in the case of—

(A) any individual whose eligibility for old-age or disability insurance benefits is based on an agreement concluded pursuant to section 2103 or an individual who on January 1, 1964—

"(i) is an employee performing service to which social security coverage is extended on that date solely by reason of the amendments made by section 101 of the Social Security Amendments of 1983; or

(ii) is an employee of a nonprofit organization extending social security coverage on that date solely by reason of the amendments made by section 102 of that Act, unless social security coverage had previously extended to service performed by such individual as an employee of that organization under a waiver certificate which was subsequently (prior to December 31, 1983) terminated.

(ii) by striking paragraph (4) of subsection (a)(7)(C) and inserting paragraph (4) of subsection (a)(7)(F).

(b) Section 215(f)(9)(A) of such Act (42 U.S.C. 415(f)(9)(A)) is amended by striking subparagraph (I) and inserting subparagraph (I) and (ii) by striking paragraph (4) of subsection (a)(7)(F) and inserting paragraph (4) of subsection (a)(7)(F).

(c) Section 215(f)(9)(A) of such Act (42 U.S.C. 415(f)(9)(A)) is amended by striking paragraph (4) of subsection (a)(7)(F) and inserting paragraph (4) of subsection (a)(7)(F)."
estimated that, when it becomes effective, the bill’s cost would represent only about one tenth of one percent of the Federal budget. Yet the proposal differs from other proposals for new spending or tax cuts because, for the first 18 years, it would not reduce overall national outlays.

In that process, we have been assisted by a broad range of experts and other interested parties, for which I am very grateful. However, I want to especially thank Ray Boshara and Reid Cramer of the New America Foundation, who have been extraordinarily helpful in the development of the legislation, and who have taken the lead in efforts to promote this and other asset building initiatives.

Mr. President, the ASPIRE Act is a big new idea based on simple, old time American values. It already enjoys strong bipartisan support from conservatives and progressives, alike, in both houses of Congress. I look forward to working with colleagues on both sides of the aisle to secure its prompt enactment.

By Mr. FEINGOLD:

S. 869. A bill to amend the Agricultural Adjustment Act to prohibit the Secretary of Agriculture from basing minimum prices for class 1 milk on the distance or transportation costs from any location that is within a marketing area, except under certain circumstances, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. FEINGOLD. Mr. President, today I am offering a measure which could serve as a first step towards eliminating the inequities borne by the dairy farmers of Wisconsin and the Upper Midwest under the Federal Milk Marketing Order system.

The Federal Milk Marketing Order system, created nearly 60 years ago, establishing the minimum prices for milk paid to producers throughout various marketing areas in the U.S. For sixty years, this system has discriminated against producers in the Upper Midwest by awarding a higher price to dairy farmers in proportion to the distance from areas with high milk production, which historically have been the region around Eau Claire, WI. My legislation is very simple. It identifies the single most harmful and unjust feature of the current system, and corrects it. Under the current archaic law, the price farmers receive for fluid milk is higher the further they are from the Eau Claire region of the Upper Midwest. The principle originally intended to guarantee the supply of fresh milk from the high production areas to distant markets in an age of difficult transportation and limited refrigeration. But the situation has long since changed and the provision persists at the detriment of the Wisconsin farmers even though most local milk markets do not receive any milk from Wisconsin.

The bill I introduce today would prohibit the Secretary of Agriculture from using distance or transportation costs from any location as the basis for pricing milk, unless significant quantities of milk are actually transported from that location into the recipient market. The Secretary will have to report to Congress on specifically which criteria are used to set milk prices. Finally, the Secretary will have to certify to Congress that the criteria used by the Department do not in any way attempt to circumvent the prohibition on using distance or transportation cost as basis for pricing milk.

This one change is vitally important to Upper Midwest producers, because the current system has penalized them for many years. The current system is a double whammy to Upper Midwest dairy farmers—it both provides disparate profits for producers in other parts of the country and creates artificial economic incentives for milk production. As a result, Wisconsin producers have seen national surpluses rise, and milk prices fall. Rather than providing adequate supplies of fluid milk, the prices often lead to excess production. The regions have provided production incentives beyond those needed to ensure a local supply of fluid milk in some regions, leading to an increase in manufactured products in those marketing areas. Those manufactured products directly compete with Wisconsin’s processed products, eroding our markets and driving national prices down.

The perverse nature of this system is further illustrated by the fact that since 1995, some regions of the U.S., notably the Midwest and the Southwest, are producing so much milk that they are actually shipping fluid milk north to the Upper Midwest. The high fluid milk prices have generated so much excess production, that these markets distant from Eau Claire are now encroaching upon not only our manufactured markets, but also our markets for fluid milk, further eroding production in Wisconsin.

The market-distorting effects of the fluid price differentials in federal orders are shown by a previous Congressional Budget Office analysis that estimated that the elimination of orders would save $660 million over five years. Government outlays would fall, CBO concluded, because production would fall in response to lower milk prices and there would be fewer government purchases of surplus milk. The regions with changing economic conditions and towards the Southwest, and specifically California, which now leads the nation in milk production.

The result of this outdated system has been a decline in the Upper Midwest dairy industry, not because it can’t produce a product that can compete in the marketplace, but because the system discriminates against it. Over the past few years Wisconsin has lost dairy farmers at a rate of more than 5 per day. The Upper Midwest, with the lowest fluid milk prices, is shrinking as a dairy region despite the dairy-friendly climate of the region. Some other regions with higher fluid milk prices are growing rapidly.

In a free market with a level playing field, these shifts in production might be fair. But in a market where the government is setting the prices and providing that artificial advantage to regions outside the Upper Midwest, the current system is unconscionable.

I urge my colleagues to do the right thing and bring reform to this outdated system and work to eliminate the inequities in the current milk marketing order pricing system. I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:
S. 873. A bill to establish a national health program administered by the Office of Personnel Management to offer health benefits plans to individuals who are not Federal employees, and for other purposes; read the first time.

By Mr. DURBIN, for himself and Mrs. LINCOLN:

S. 874. A bill to establish a national health program administered by the Office of Personnel Management to offer health benefits plans to individuals who are not Federal employees, and for other purposes; read the first time.

SEC. 2. DEFINITIONS.

(a) IN GENERAL.—In this Act, the terms ‘member of family’, ‘health benefits plan’, and ‘employee organization’ have the meanings given such terms in section 9801 of title 5, United States Code.

(b) OTHER TERMS.—In this Act:

(1) EMPLOYEE.—The term ‘employee’ has the meaning given such term under section 3(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(5)). Such term shall not include an employee of the Federal Government.

(2) EMPLOYER.—The term ‘employer’ has the meaning given such term under section 3(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(5)), except that such term shall include only employers who employed an average of at least 1 but not more than 100 employees on business days during the year preceding the date of application. Such term shall not include the Federal Government.

(3) HEALTH STATUS-RELATED FACTOR.—The term ‘health status-related factor’ has the meaning given such term under section 2791(d)(9) of the Public Health Service Act (42 U.S.C. 300gg-91(d)(9)).

(4) OFFICE.—The term ‘Office’ means the Office of Personnel Management.

PARTICIPATING EMPLOYER.—The term ‘participating employer’ means an employer that—


By Mr. DURBIN for himself and Mrs. LINCOLN:

SEC. 1. SHORT TITLE.

This Act may be cited as the ‘‘Small Employers Health Benefits Program Act of 2005’’.

SEC. 2. ESTABLISHMENT OF MEDICARE OPERATED PRESCRIPTION DRUG PLAN OPTION.

(a) IN GENERAL.—Subpart 2 of part D of the Social Security Act is amended by inserting after section 1860D–11 the following new section:

MEDICARE OPERATED PRESCRIPTION DRUG PLAN OPTION

‘‘SEC. 1860D–11A. (a) IN GENERAL.—A medicare operated prescription drug plan (as defined in section 1860D–11A(c)) shall be offered in addition to any qualifying prescription drug plan offered in 2006 and for months in succeeding years shall be based on the average monthly per capita actuarial cost of offering the medicare operated prescription drug plan offered in 2006, as otherwise qualified prescription drug coverage offered by other prescription drug plans.

(b) CONFORMING AMENDMENTS.—

(1) Section 1860D–3(a) of the Social Security Act is amended—

(A) in the heading, by inserting ‘‘and medicare operated prescription drug plans’’ after ‘‘qualified prescription drug plans’’;

(B) in subparagraph (A), by striking ‘‘and’’ after ‘‘the locations’’ and inserting ‘‘within a marketing area subject to the order’’; and

(2) in paragraph (b)(c), by inserting after ‘‘the locations’’ the following: ‘‘within a marketing area subject to the order’’.

By Mr. DURBIN:

S. 876. A bill to establish a national health program administered by the Office of Personnel Management to offer health benefits plans to individuals who are not Federal employees, and for other purposes; read the first time.

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

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

S. 874

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘Small Employers Health Benefits Program Act of 2005’’.

SEC. 2. DEFINITIONS.

(a) IN GENERAL.—In this Act, the terms ‘member of family’, ‘health benefits plan’, ‘employee organization’, and ‘employee’ have the meanings given such terms in section 9801 of title 5, United States Code.

(b) OTHER TERMS.—In this Act:

(1) EMPLOYEE.—The term ‘employee’ has the meaning given such term under section 3(6) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(6)). Such term shall not include an employee of the Federal Government.

(2) EMPLOYER.—The term ‘employer’ has the meaning given such term under section 3(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(5)), except that such term shall include only employers who employed an average of at least 1 but not more than 100 employees on business days during the year preceding the date of application. Such term shall not include the Federal Government.

(3) HEALTH STATUS-RELATED FACTOR.—The term ‘health status-related factor’ has the meaning given such term under section 2791(d)(9) of the Public Health Service Act (42 U.S.C. 300gg-91(d)(9)).

(4) OFFICE.—The term ‘Office’ means the Office of Personnel Management.
(A) elects to provide health insurance coverage under this Act to its employees; and  
(B) is not offering other comprehensive health insurance coverage to such employees.  
(c) APPLICATION OF CERTAIN RULES IN DETERMINATION OF EMPLOYER SIZE.—For purposes of subsection (b)(2):  
(1) APPLICATION OF AGGREGATION RULE FOR EMPLOYERS.—All persons treated as a single employer under subsection (b), (c), (m), or (o) of section 14 of the Internal Revenue Code of 1986 shall be treated as 1 employer.  
(2) EMPLOYERS NOT IN EXISTENCE IN PRECEDING YEAR.—In the case of an employer which was not in existence for the full year prior to the beginning of the period for which the employer applies to participate, the determination of whether such employer meets the requirements of subsection (b)(2) shall be based on the average number of employees that it is reasonably expected such employer will employ on business days in the employer’s first full year.  
(S) PREDECESSORS.—Any reference in this subsection to an employer shall include a reference to any predecessor of such employer.  
(d) WAIVER AND CONTINUATION OF PARTICIPATION.—  
(1) WAIVER.—The Office may waive the limitation on the size of an employer which may participate in the health insurance program established under this Act on a case by case basis if the Office determines that such employer is a competitive applicant for such a waiver. In making determinations under this paragraph, the Office may consider the effects of the employment of temporary and seasonal workers and other factors.  
(2) CONTINUATION OF PARTICIPATION.—An employer participating in the program under this Act who increases an increment in the number of employees so that such employer has in excess of 100 employees, may not be excluded from participation solely as a result of such increase in employees.  

SEC. 3. HEALTH INSURANCE COVERAGE FOR NON-FEDERAL EMPLOYERS.  
(a) ADMINISTRATION.—The Office shall administer a health insurance program for non-Federal employers and employees in accordance with this Act.  
(b) REGULATIONS.—Except as provided under this Act, the Office shall prescribe regulations to apply the provisions of chapter 89 of title 5, United States Code, to the greatest extent consistent with the administration of employees, employers, and employees covered under this Act.  
(c) LIMITATIONS.—In no event shall the enactment of this Act result in—  
(1) any increase in the level of individual or Federal Government contributions required under chapter 89 of title 5, United States Code, including copayments or deductibles;  
(2) any decrease in the types of benefits offered under such chapter 89; or  
(3) any other change that would adversely affect the coverage afforded under such chapter 89 to employees and annuitants and members of family under that chapter.  
(d) ENROLLMENT.—The Office shall develop methods to facilitate enrollment under this Act, including the use of the Internet.  
(e) INFORMATION.—The Office may enter into contracts for the performance of appropriate administrative functions under this Act.  
(f) RISK POOL.—In the administration of this Act, the Office shall ensure that covered employees under this Act are in a risk pool that is separate from the risk pool maintained for covered individuals under chapter 89 of title 5, United States Code.  
(g) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed to require a carrier that is participating in the program under chapter 89 of title 5, United States Code, to provide health benefits plan coverage under this Act.  

SEC. 4. CONTRACT REQUIREMENT.  
(a) IN GENERAL.—The Office may enter into contracts with qualified carriers offering health benefits plans described in section 8903 or 8903a of title 5, United States Code, without regard to section 5 of title 41, United States Code, or other statutes requiring competitive bidding for health insurance coverage to employees of participating employers under this Act. Each contract shall be for a uniform term of at least 1 year, and may be renewed from term to term in the absence of notice of termination by either party. In entering into such contracts, the Office shall ensure that health benefits coverage is provided for individuals only, married individuals without children, and families.  
(b) ELIGIBILITY.—A carrier shall be eligible to enter into a contract under subsection (a) if such carrier—  
(1) is licensed to offer health benefits plan coverage in each State in which the plan is offered; and  
(2) meets such other requirements as determined appropriate by the Office.  
(c) STATEMENT OF BENEFITS.—  
(1) IN GENERAL.—Each contract under this Act shall contain a detailed statement of benefits offered and shall include information concerning such maximums, limitations, exclusions, and other definitions of benefits as the Office considers necessary or desirable.  
(2) NATIONWIDE PLAN.—The Office shall develop a benefit package that shall be offered in the case of a contract for a health benefit plan that is to be offered on a nationwide basis.  
(d) STANDARDS.—The minimum standards prescribed for health benefits plans under section 8903(e) of title 5, United States Code, and for carriers offering plans, shall apply to plans and carriers under this Act. Approval of a plan may be withdrawn by the Office only after notice and opportunity for hearing to the carrier in accordance with section 8903(c)(2) of title 5, United States Code.  
(e) CONVERSION.—  
(1) IN GENERAL.—A contract may not be made or a plan approved under this section if the carrier under such contract or plan does not offer to each enrollee whose enrollment in the plan is ended by a cancellation of enrollment, a temporary extension of coverage during which the individual may exercise the option to convert, without evidence of insurability, into a good health benefit contract providing health benefits. An enrollee who exercises this option shall pay the full periodic charges of the nongroup contract.  
(D) shall be adjusted to cover the administration of the community rate that may be annually adjusted.  

SEC. 5. ELIGIBILITY.  
An individual shall be eligible to enroll in a plan under this Act if such individual—  
(1) is an employee of an employer described in section 2(b)(2), or is a self employed individual as defined in section 401(c)(1)(B) of the Internal Revenue Code of 1986; and  
(2) is not otherwise enrolled or eligible for enrollment in a plan under chapter 89 of title 5, United States Code.  

SEC. 6. ALTERNATIVE CONDITIONS TO FEDERAL EMPLOYER PLANS.  
(a) TREATMENT OF FEDERAL EMPLOYEE.—For purposes of enrollment in a health benefits plan under this Act, an individual who had coverage under a health insurance plan and is not otherwise enrolled under section 4980B(g)(1) of the Internal Revenue Code of 1986 shall be treated in a similar manner as an individual who begins employment as an employee under chapter 89 of title 5, United States Code.  
(b) PREEXISTING CONDITION EXCLUSIONS.—  
(1) IN GENERAL.—Each contract under this Act may include a preexisting condition exclusion as defined under section 4980B(b)(1) of the Internal Revenue Code of 1986.  
(2) EXCLUSION PERIOD.—  
(A) IN GENERAL.—A preexisting condition exclusion under this subsection shall provide for coverage of a preexisting condition to begin not later than 6 months after the date on which the individual under a health benefits plan commences, reduced by 1 month for each month that the individual was covered under a health insurance plan in an immediate prior period that date the individual submitted an application for coverage under this Act.  
(B) LAPSE IN COVERAGE.—For purposes of this paragraph, a lapse in coverage of not more than 63 days immediately preceding the date of the submission of an application for coverage under this Act shall not be considered a lapse in continuous coverage.  
(c) RATES AND PREMIUMS.—  
(1) IN GENERAL.—Rates charged and premiums paid for a health benefits plan under this Act—  
(A) shall be determined in accordance with this subsection;  
(B) shall be annually adjusted and differ from such rates charged and premiums paid for the same health benefits plan offered under chapter 89 of title 5, United States Code;  
(C) shall be negotiated in the same manner as rates and premiums are negotiated under such chapter 89; and  
(D) shall be adjusted to cover the administrative costs of the Office under this Act.  
(2) DETERMINATIONS.—In determining rates and premiums under this Act, the following provisions shall apply:  
(A) IN GENERAL.—A carrier that enters into a contract under this Act shall determine that amount of premiums to assess for coverage under this Act shall not vary based on health-status related factors.  
(B) IN GENERAL.—Rates charged under this Act shall be made in advance of the contract term in which they will apply and on a basis which, in the judgment of the Office, is consistent with the general practices of carriers which issue health benefit plans to large employers. Rates charged for coverage under this Act shall not vary based on health-status related factors.  
(C) RATE OF PAYMENT FOR OR PROVISION OF HEALTH SERVICE.—Each contract entered into under this Act shall require the carrier to agree to provide health care or to provide a health service or supply in an individual case if the Office finds that the employee, annuitant, family member, former spouse, or person who continues coverage under section 8903a of title 5, United States Code, is entitled thereto under the terms of the contract.
(i) for the geographic area involved if the adjustment is based on geographical divisions that are not smaller than a metropolitan statistical area;

(ii) that neither such coverage is for an individual, a married individual with no children, or a family; and

(iii) based on the age of covered individuals (subject to subparagraph (B)).

(B) Age Adjustments.—

(1) In General.—With respect to subparagraph (A)(iii), in making adjustments based on age, a carrier may not use age brackets in increments that are smaller than 5 years, which begin not earlier than age 30 and end not later than age 65.

(2) shall provide.—With respect to subparagraph (A)(iii), a carrier may develop separate rates for covered individuals who are 65 years of age or older for whom Medicare is the primary payer for health benefits coverage which is not covered under Medicare.

(C) Limitation.—In making an adjustment to premium rates under subparagraph (A)(iii), a carrier shall ensure that such adjustment does not result in an average premium cost which begins not earlier than age 30 and ends not later than age 65.

(D) Rate Rules.—The rating requirements under subsection (c)(2) shall supersede and preempt any laws and regulations described in paragraph (2) for the plan and year, reduced by the portion of such costs attributable to administrative expenses incurred in making the adjustments described in such paragraph.

(1) Adjustment of Payment.—

(A) No Adjustment if Allowable Costs within 3 Percent of Target Amount.—If the allowable costs for the carrier with respect to the health benefits plan involved for a calendar year are at least 97 percent, but not greater than 108 percent, of the target amount for the plan and year involved, there shall be no payment adjustment under this section for the plan and year.

(B) Costs above 108 Percent of Target Amount.—If the allowable costs for the carrier with respect to the health benefits plan involved for a calendar year are greater than 108 percent, but not greater than 115 percent, of the target amount for the plan and year, the carrier shall reimburse the carrier for such excess costs through payment to the carrier of an amount equal to 75 percent of the difference between such allowable costs and 108 percent of such target amount.

(C) Costs below 97 Percent of Target Amount.—If the allowable costs for the carrier with respect to the health benefits plan involved for a calendar year are less than 97 percent, but not greater than 103 percent, of the target amount for the plan and year, there shall be no payment adjustment under this section for the plan and year.

(2) Increase in Payment if Allowable Costs above 103 Percent of Target Amount.—

(A) Costs between 103 and 108 Percent of Target Amount.—If the allowable costs for the carrier with respect to the health benefits plan involved for a calendar year are at least 103 percent, but not greater than 108 percent, of the target amount for the plan and year involved, there shall be no payment adjustment under this section for the plan and year.

(B) Costs above 108 Percent of Target Amount.—If the allowable costs for the carrier with respect to the health benefits plan involved for the year are greater than 108 percent, but not greater than 115 percent, of the target amount for the plan and year, the Office shall reimburse the carrier for such excess costs through payment to the carrier in an amount equal to the sum of—

(i) 90 percent of the difference between such allowable costs and 108 percent of such target amount.

(ii) the amount of administrative expenses associated with the administration of the health plan for the year, reduced by the portion of such costs attributable to administrative expenses incurred in making the adjustments described in such paragraph.

(c) Disclosure of Information.—

(1) In General.—Each contract under this Act shall provide—

(A) that a carrier offering a health benefits plan under this Act shall provide the Office with such information as the Office determines is necessary to carry out this subsection including the notification of costs under subsection (a)(2) and the target amount under subsection (b)(4)(B); and

(B) that the Office has the right to inspect and audit any books and records of the organization that pertains to the information regarding costs provided to the Office under such subsections.

(2) Restriction on Use of Information.—Information disclosed or obtained pursuant to the provisions of this subsection may be used by the Office, the Office's contractors, and the Office's subcontractors for the purposes of, and to the extent necessary in, carrying out this section.

(4) Target Amount Described.—

(A) In General.—For purposes of this subsection, the term ‘‘target amount’’ means, with respect to a health benefits plan offered by a carrier under this Act in any of calendar years 2006 through 2010, an amount equal to—

(i) 90 percent of such target amount; and

(ii) 90 percent of the difference between such allowable costs and 108 percent of such target amount.

(B) Costs Below 92 Percent of Target Amount.—If the allowable costs for the carrier with respect to the health benefits plan involved for the year are less than 97 percent, but not greater than 92 percent, of the target amount for the plan and year, the carrier shall be required to pay into the contingency reserve fund maintained for purposes of title 5, United States Code, an amount equal to 75 percent of the difference between 97 percent of the target amount and such allowable costs.

(C) Costs above 92 Percent of Target Amount.—If the allowable costs for the carrier with respect to the health benefits plan involved for the year are greater than 92 percent, but not greater than 97 percent, of the target amount for the plan and year, the Office shall reimburse the carrier for such excess costs through payment to the carrier in an amount equal to the sum of—

(i) 3.75 percent of such target amount; and

(ii) 90 percent of the difference between such allowable costs and 97 percent of such target amount.

(3) Reduction in Payment if Allowable Costs below 92 Percent of Target Amount.—

(A) Costs above 92 Percent of Target Amount.—If the allowable costs for the carrier with respect to the health benefits plan involved for the year are greater than 92 percent, but not greater than 97 percent, of the target amount for the plan and year, the carrier shall be required to pay into the stabilization fund under section 8909(b)(2) of title 5, United States Code, an amount equal to 75 percent of the difference between 97 percent of the target amount and such allowable costs.

(B) Costs Below 92 Percent of Target Amount.—If the allowable costs for the carrier with respect to the health benefits plan involved for the year are less than 92 percent, but not greater than 90 percent, of the target amount for the plan and year, the carrier shall be required to pay into the contingency reserve fund maintained for purposes of title 5, United States Code, an amount equal to the sum of—

(i) 3.75 percent of such target amount; and

(ii) 90 percent of the difference between 92 percent of such target amount and such allowable costs.

(4) Target Amount Described.—

(A) In General.—For purposes of this subsection, the term ‘‘target amount’’ means, with respect to a health benefits plan offered by a carrier under this Act in any of calendar years 2006 through 2010, an amount equal to—

(i) the total of the monthly premiums estimated by the carrier and approved by the Office to be paid for enrollees in the plan under this Act for the calendar year involved; reduced by

(ii) the amount of administrative expenses that the carrier estimates, and the Office approves, will be incurred by the carrier with respect to the plan for such calendar year.

(B) Submission of Target Amount.—Not later than December 31, 2004, a carrier shall submit to the Office a description of the target amount for such carrier with respect to health benefits plans provided by the carrier under this Act.

(c) Disclosure of Information.—

(1) In General.—Each contract under this Act shall provide—

(A) that a carrier offering a health benefits plan under this Act shall provide the Office with such information as the Office determines is necessary to carry out this subsection including the notification of costs under subsection (a)(2) and the target amount under subsection (b)(4)(B); and

(B) that the Office has the right to inspect and audit any books and records of the organization that pertains to the information regarding costs provided to the Office under such subsections.

(2) Restriction on Use of Information.—Information disclosed or obtained pursuant to the provisions of this subsection may be used by the Office, the Office's contractors, and the Office's subcontractors for the purposes of, and to the extent necessary in, carrying out this section.

(4) Target Amount Described.—

(A) In General.—For purposes of this subsection, the term ‘‘target amount’’ means, with respect to a health benefits plan offered by a carrier under this Act in any of calendar years 2006 through 2010, an amount equal to—

(i) the total of the monthly premiums estimated by the carrier and approved by the Office to be paid for enrollees in the plan under this Act for the calendar year involved; reduced by

(ii) the amount of administrative expenses that the carrier estimates, and the Office approves, will be incurred by the carrier with respect to the plan for such calendar year.

(B) Submission of Target Amount.—Not later than December 31, 2009, a carrier shall submit to the Office a description of the target amount for such carrier with respect to health benefits plans provided by the carrier under this Act.
SEC. 9. CONTINGENCY RESERVE FUND.

Beginning on October 1, 2010, the Office may use amounts appropriated under section 14(a) that remain unobligated to establish a contingency reserve fund to provide assurance to carriers offering health benefits plans under this Act that experience unanticipated financial hardships (as determined by the Office).

SEC. 10. EMPLOYER PARTICIPATION.

(a) REGULATIONS.—The Office shall prescribe regulations providing for employer participation in this Act, including the offering of health benefits plans under this Act to employees.

(b) ENROLLMENT AND OFFERING OF OTHER COVERAGE.—

(1) ENROLLMENT.—A participating employer shall ensure that each eligible employee has an opportunity to enroll in a plan under this Act.

(2) PROHIBITION ON OFFERING OTHER COMPREHENSIVE HEALTH BENEFIT COVERAGE.—A participating employer may not offer a health insurance plan providing comprehensive health benefit coverage to employees other than a health benefits plan that—

(A) meets the requirements described in section 4(a); and

(B) is offered only through the enrollment process established by the Office under section 9.

(3) OFFER OF SUPPLEMENTAL COVERAGE OPTIONS.—

(A) IN GENERAL.—A participating employer may offer an supplementary coverage options to employees.

(B) DEFINITION.—In subparagraph (A), the term ‘‘supplementary coverage’’ means benefits described as ‘‘excepted benefits’’ under section 2791(c) of the Public Health Service Act (42 U.S.C. 300gg-91(c)).

(c) APPLICATION.—Except as provided in section 15, nothing in this Act shall be construed to require that an employer make premium contributions on behalf of employees.

SEC. 11. ADMINISTRATION THROUGH REGIONAL ADMINISTRATIVE ENTITIES.

(a) IN GENERAL.—In order to provide for the administration of the benefits under this Act with maximum efficiency and convenience for participating employers and health care providers and other individuals and entities eligible to participate under this Act, the Office is authorized to enter into contracts with eligible entities to perform, on a regional basis, one or more of the following:

(1) Collect and maintain all information relating to individuals, families, and employers participating in the program under this Act in the region served.

(2) Receive, disburse, and account for payments of premiums to participating employers by individuals in the region served, and for payments by participating employers to carriers.

(3) Serve as a channel of communication between carriers, participating employers, and individuals relating to the administration of this Act.

(4) Otherwise carry out such activities for the administration of the Act, in such manner, as may be provided for in the contract entered into under paragraph (1).

(5) The processing of grievances and appeals.

(b) APPLICATION.—To be eligible to receive a contract under subsection (a), an entity shall prepare and submit to the Office an application at such time, in such manner, and containing such information as the Office may require.

(c) PROCESS.—

(1) COMPETITIVE BIDDING.—All contracts under subsection (a) shall be awarded through a competitive bidding process on a bi-annual basis.

(2) REQUIREMENT.—No contract shall be entered into with any entity under this section unless the Office finds that such entity will perform its obligations under the contract efficiently and will meet such requirements as to financial responsibility, legal authority, and other matters as the Office finds pertinent.

(3) PUBLICATION OF STANDARDS AND CRITERIA.—The Office shall publish in the Federal Register standards and criteria for the efficient and effective performance of contracts entered into under this section, and opportunity shall be provided for public comment prior to implementation. In establishing such standards and criteria, the Office shall provide for and ensure an entity’s performance of responsibilities.

(4) TERM.—Each contract under this section shall be for a term of at least 1 year, and may be made automatically renewable from term to term in the absence of notice by either party of intention to terminate at the end of the current term, except that the Office may terminate any such contract at any time (after such reasonable notice and opportunity for hearing to the entity involved as the Office may provide in regulations) if the Office finds that the entity failed substantially to carry out the contract or is carrying out the contract in a manner inconsistent with the efficient and effective administration of the program established by this Act.

(5) TERTS OF CONTRACT.—A contract entered into under this section shall include—

(A) a description of the duties of the contracting entity;

(B) an assurance that the entity will furnish to the Office such timely information and reports as the Office determines appropriate;

(C) an assurance that the entity will maintain such records and afford such access thereto as the Office may require in order to assure the correctness and verification of the information and reports under paragraph (2) and otherwise to carry out the purposes of this Act;

(D) an assurance that the entity shall comply with such confidentiality and privacy protection guidelines and procedures as the Office may provide; and

(E) such other terms and conditions not inconsistent with this section as the Office may find necessary or appropriate.

SEC. 12. COORDINATION WITH SOCIAL SECURITY BENEFITS.

Benefits under this Act shall, with respect to an individual who is entitled to benefits under part A of the Social Security Act, be offered (for use in coordination with those Medicare benefits) to the same extent and in the same manner as if such coverage were under chapter 99 of title 5, United States Code.

SEC. 13. PUBLIC EDUCATION CAMPAIGN.

(a) IN GENERAL.—In carrying out this Act, the Office shall implement a public educational campaign to provide information to employers and the general public concerning the health insurance program developed under this Act.

(b) ANNUAL PROGRESS REPORTS.—Not later than 1 year and 2 years after the implementation of the campaign under subsection (a), the Office shall submit to the appropriate committees of Congress a report that describes the activities of the Office under subsection (a), including a determination by the Office of the percentage of employers with knowledge of the health benefits programs provided for under this Act.

(c) PUBLIC EDUCATION CAMPAIGN.—There is authorized to be appropriated in this Act, such sums as may be necessary for each of fiscal years 2006 and 2007.

SEC. 14. APPROPRIATIONS.

(a) MANDATORY APPROPRIATIONS.—There are authorized to be appropriated, and there are appropriated, to carry out sections 7 and 8—

(1) $4,000,000,000 for fiscal year 2006;

(2) $4,000,000,000 for fiscal year 2007;

(3) $4,000,000,000 for fiscal year 2008;

(4) $3,000,000,000 for fiscal year 2009; and

(5) $3,000,000,000 for fiscal year 2010.

(b) OTHER APPROPRIATIONS.—There are authorized to be appropriated to the Office such sums as may be necessary in each fiscal year for the development and administration of the program under this Act.

SEC. 15. REFUNDABLE TAX CREDIT FOR SMALL BUSINESS MANUFACTURER EMPLOYER HEALTH INSURANCE EXPENSES.

(a) DETERMINATION OF AMOUNT.—In the case of a qualified small employer, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the sum of—

(1) the expense amount described in section (b), and

(2) the expense amount described in section (c), paid by the taxpayer during the taxable year.

(b) SUBSECTION (b) EXPENSE AMOUNT.—For purposes of this section—

(1) IN GENERAL.—The expense amount described in this subsection is the applicable percentage of the amount of qualified employer health insurance expenses of each qualified employee.

(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1)—

(A) IN GENERAL.—The applicable percentage is equal to—

(i) 25 percent in the case of self-only coverage,

(ii) 35 percent in the case of family coverage (as defined in section 220(c)(5)), and

(iii) 30 percent in the case of coverage for married adults with no children.

(B) BONUS FOR PAYMENT OF GREATER PERCENTAGE OF PREMIUMS.—In the case of a qualified employee, if, during the 3-taxable year period immediately preceding the first credit year, the employer or any member of such employer group including the employer (or any predecessor of either) established or maintained health insurance coverage for substantially all qualified employees, the percentage of the qualified employee health insurance coverage under this Act which is included in such coverage is, with respect to the taxpayer, 80 percent or more, there shall be added to the applicable percentage specified in subparagraph (A) by 5 percentage points for each additional 10 percent of the qualified employee health insurance expenses of each qualified employee exceeding 60 percent which are paid by the qualified small employer.

(c) SUBSECTION (c) EXPENSE AMOUNT.—For purposes of this section—

(1) IN GENERAL.—The expense amount described in this subsection is, with respect to the first credit year of a qualified small employer which is an eligible employer, 10 percent of the qualified employee health insurance expenses of each qualified employee.

(2) FIRST CREDIT YEAR.—For purposes of paragraph (1), the term ‘‘first credit year’’ means the taxable year which includes the calendar year that the health insurance coverage to which the qualified employee health insurance expenses relate becomes effective.

(3) ELIGIBLE EMPLOYER.—For purposes of paragraph (1), the term ‘‘eligible employer’’ shall not include a qualified small employer if, during the 3-taxable year period immediately preceding the first credit year, the employer or any member of the employer group including the employer (or any predecessor of either) established or maintained health insurance coverage for substantially all qualified employees and qualified employees to which the qualified employee health insurance expenses relate.
“(d) LIMITATION BASED ON WAGES.—
“(1) IN GENERAL.—The percentage which would (but for this subsection) be taken into account as the percentage for purposes of subsection (b)(2) or (c)(1) for the taxable year shall be reduced (but not below zero) by the percentage determined under paragraph (2).”

“(2) AMOUNT OF REDUCTION.—The percentage determined under this paragraph is the percentage which bears the same ratio to the percentage which would be so taken into account as—

“(i) the excess of—
“(I) the qualified employee’s wages at an annual rate during such taxable year, over
“(II) $5,000.
“(B) ANNUAL ADJUSTMENT.—For each taxable year after 2006, the dollar amounts specified for the preceding taxable year (after the application of this subparagraph) shall be increased by the same percentage as the average percentage increase in premiums under the Federal Employees Health Benefits Program under chapter 89 of title 5, United States Code for the calendar year in which the taxable year begins over the preceding calendar year.

“(e) DEFINITIONS.—For purposes of this section—

“(1) QUALIFIED EMPLOYEE.—The term ‘qualified employee’ means any employer (as defined in section 2(b)(2) of the Small Employers Health Benefits Program Act of 2005) which—

“(A) is a participating employer (as defined in section 2(b)(5) of such Act), and
“(B) pays or incurs at least 60 percent of the qualified employee health insurance expenses incurred by the employee.

“(2) QUALIFIED EMPLOYER HEALTH INSURANCE EXPENSEES.—

“(A) IN GENERAL.—The term ‘qualified employee health expenses’ means any amount paid by an employer for health insurance coverage under such Act to the extent such amount is attributable to coverage provided to any employee while such employee is a qualified employee.

“(B) EXCEPTION FOR AMOUNTS PAID UNDER SALARY REDUCTION ARRANGEMENTS.—No amount paid or incurred for health insurance coverage pursuant to a salary reduction arrangement shall be taken into account under subparagraph (A).

“(3) QUALIFIED EMPLOYER.—

“(A) IN GENERAL.—The term ‘qualified employer’ means, with respect to any period, an employee (as defined in section 2(b)(1) of such Act) of an employer if the total amount of wages paid or incurred by such employer to such employee at an annual rate during the taxable year exceeds $5,000.

“(B) WAGES.—The term ‘wages’ has the meaning given such term by section 3121(a) (determined without regard to any dollar limitation contained in such section).

“(c) EFFICACY.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2005.

“SEC. 16. EFFECTIVE DATE.

“Except as provided in section 10(e), this Act shall take effect on the date of enactment of this Act and shall apply to contracts of any kind made after such date.

“By Mr. BINGAMAN (for himself, Ms. SNOWE, Mr. LIEBERMAN, and Mr. OBAMA):

“S. 875. A bill to amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 to increase participation in section 401(k) plans through automatic contributions trusts, and for other purposes; to the Committee on Finance.

“Mr. BINGAMAN. Mr. President, I rise today to introduce the Save More for Retirement Act of 2005 with my colleagues Senator SNOWE, Senator LIEBERMAN and Senator OBAMA. This legislation creates a new safe harbor that, by a host of retirement policy experts, is at a near all-time low. Congress needs to look at ways to expand retirement savings, particularly savings garnered through an employer-provided retirement plan. This legislation is a commonsense approach that is based on research undertaken and compiled by a host of retirement policy experts from both academia and business. It is imperative that the Congress continues to look at innovative ways to help workers save for their retirement through the existing employer-provided plan system. This legislation accomplishes that goal by creating incentives for employers to modify their existing plans to add features that have been proven to increase savings.

“The first step is to encourage employers to add a feature to its 401(k) or similar plans to enroll its employees in the plan upon being hired unless the employee notifies the employer that he or she does not want to participate in the plan. The decision to participate still rests entirely with the employees, as they can opt out before participation begins or at any time afterward. Although some employers do offer these types of plans now, most maintain a more traditional structure under which the employee must opt into participation. Studies have indicated that such a seemingly minor change in how employees are enrolled can dramatically increase participation rates. It has been shown that employees who have experienced an increase in employee participation in their retirement plan of 50 percent once the feature was changed to automatically enroll its employees. Clearly the first step towards increasing our national savings rate is to get more people saving.

“Clearly the second step is to get those who are saving to set aside even more for their retirement years. For this reason the legislation would encourage plans to add a feature that increases employees’ contributions annually until it reaches at least 10 percent of the employee’s compensation. Again, studies have repeatedly demonstrated that people are more likely to agree to save more in the future if they make the decision today and do not wait until future years to make that decision. In our legislation, the employee can stop a future increase or change the contribution rate. The employer has the discretion to tie these automatic increases to either an anniversary of increase or to increases in salary or compensation. This is closely modeled on the Save More Tomorrow, SMarT, plan advocated by Shlomo Benartzi from UCLA and Richard Thaler from the University of Chicago. These behavioral finance experts claim that although participants in this plan may start saving at a lower rate—3.5 percent—than the average, within 4 years increases averaged 13.6 percent—a greater than 10 percent increase. Compared to the control group saving rate of slightly more than 8 percent of their compensation, the end result is quite extraordinary.

“To encourage employers to make these two changes to the plan, the legislation creates a new safe harbor that, if all the criteria are met, the plan will be. For example, the legislation creates a new safe harbor that, if all the criteria are met, the plan will be. For example, the plan must be an automatic increases to either an automatic vesting. These criteria can be met also if the employer contributes a comparable amount to another qualified plan for the same employees. The employer must also allow its contributions to vest in either 2 years, if the employee elects to participate in the plan. In order to qualify for the safe harbor, the employer must provide either a non-elective match of 3 percent of the employee’s compensation or an elective match of 50 percent of the first 7 percent of the employee’s compensation. The criteria are as follows:

“Finally, in an effort to help ensure employees are invested wisely, the legislation directs the Department of Labor to provide guidance for employers in selecting “default” investments so that employees have options besides money market accounts and investment contracts. A default investment is the investment that is made when...
employees fail to indicate how they would like their retirement savings invested. Due to liability concerns, retirement plans tend to invest these funds in either investment contracts or money market accounts. The benefit of compounding interest that would occur with even modest returns in broad-based funds that have an equity component is lost. This guidance will not allow employers to make default investment decisions that are risky or put the employee’s retirement at risk. It is my view that the employee always retains the ability to invest the funds differently in other investment options offered by the plan if they do not like the default investment offered by the employer.

I thank all of those who have done considerable research into the impact of human behavior on savings, which was quite instrumental to the drafting of this legislation. I look forward to continuing to work with them and others interested in this new approach to addressing our Nation’s savings problems.

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

S. 875

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

SEC. 1. SHORT TITLE.

This Act may be cited as the “Save More for Retirement Act of 2012.”

SEC. 2. INCREASING PARTICIPATION IN CASH OR DEFERRED PLANS THROUGH AUTOMATIC CONTRIBUTION ARRANGEMENTS.

(a) IN GENERAL.—Section 401(k) of the Internal Revenue Code of 1986 (relating to cash or deferred arrangements) is amended by adding at the end of the following new paragraph:

""(13) NONDISCRIMINATION REQUIREMENTS FOR AUTOMATIC CONTRIBUTION TRUSTS.—

"'(A) AUTOMATIC CONTRIBUTION TRUST.—

"'(I) IN GENERAL.—The requirements of this subparagraph are met if, under the arrangement, the employer—

"'(i) makes matching contributions on behalf of each employee who is not a highly compensated employee in an amount equal to at least 2% of each employee who is not a highly compensated employee and who is eligible to participate in the arrangement in an amount equal to at least 3% of the employee’s compensation, and

"'(ii) in the case of an arrangement under which the requirements of subparagraghs (C), (D), (E), and (F) are met, the employer meets such requirements with respect to employees eligible under the arrangement.

"'(B) AUTOMATIC CONTRIBUTION TRUST.—

"'(i) IN GENERAL.—Notwithstanding any other provision of this subparagraph, the term ‘automatic contribution trust’ means an arrangement—

"'(I) which is subject to the requirements of subparagraphs (C), (D), (E), and (F), and

"'(II) whose rate of contribution immediately before such first date was less than the applicable percentage for the employee, clause (i) (other than elective contributions) made under the arrangement are met, the employer may elect to apply to such contributions the requirements of this subparagraph.

"'(ii) EXCEPTION FOR EXISTSING EMPLOYEES.—In case of any employee—

"'(I) who is eligible to participate in the arrangement a for a period which begins on or after the effective date of this subparagraph, and

"'(II) whose rate of contribution immediately before such first date was less than the applicable percentage for the employee, clause (i) (other than elective contributions) made under the arrangement are met, the employer may elect to apply to such contributions the requirements of this subparagraph.
“(v) Employer matching contributions.—In the case of any distribution to an employee by reason of an election under clause (i), employer matching contributions shall be forfeited or subject to such other treatment as the Secretary may prescribe.”

(b) Matching Contributions.—Section 401(m) of the Internal Revenue Code of 1986 (relating to nondiscrimination test for matching contributions and employee contributions) is amended by redesignating paragraph (12) as paragraph (13) and inserting after paragraph (11) the following new paragraph:

“(12) ALTERNATE METHOD FOR AUTOMATIC CONTRIBUTIONS.—A defined contribution arrangement shall be treated as meeting the requirements of paragraph (2) with respect to matching contributions if the plan—

“(A) meets the notice requirements of subparagraph (D) of subsection (k)(13); and

“(B) meets the requirements of paragraph (11)(B) (1) and (11)(I).”

(c) Application from Definition of Top-Heavy Plans.—

(1) Elective Contribution Rule.—Clause (i) of section 416(g)(4)(A) of the Internal Revenue Code of 1986 (amended by inserting “or 401(k)(13)” after “section 401(k)(12)”).

(2) Matching Contribution Rule.—Clause (ii) of section 416(g)(4)(B) of such Code is amended by inserting “(or 401(m)(12)” after “section 401(m)(11)”.

(d) Definition of Compensation.—

(1) Base Pay or Rate of Pay.—The Secretary of the Treasury shall, no later than December 31, 2006, modify Treasury Regulation section 1.414(e)-1(d)(3) to facilitate the use of safe harbor plans in sections 401(k)(12), 401(k)(13), 401(m)(11), and 401(m)(12) of the Internal Revenue Code of 1986, and in Treasury Regulation section 1.401(a)-8(b), by plans that use the rate of pay in determining contributions or benefits. Such modifications shall include increased flexibility in satisfying section 414(s) of such Code in any case where the amount of overtime compensation payable in a year can vary significantly.

(2) Application of Requirements to Separate Payroll Periods.—Not later than December 31, 2006, the Secretary of the Treasury shall issue rules under subparagraphs (B) and (E) of section 401(k)(13) of such Code and under clause (i) of section 401(m)(12)(A) of such Code that, effective for plan years beginning after December 31, 2006, permit plans to be applied separately to separate payroll periods based on rules similar to the rules described in Treasury Regulation sections 1.401(k)-3(c)(5)(ii) and 1.401(m)-3(d)(4).

(e) Section 403(b) Contracts.—Paragraph (11) of section 401(m) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“(C) SECTION 403(b) CONTRACTS.—The amendments made by section 403(b)(1) of the Employee Retirement Income Security Act of 1974 (as added by this section) shall apply to plan years beginning after December 31, 2005.

(2) Section 403(b) Contracts.—The amendments made by subsection (e) shall apply to years ending after the date of the enactment of this Act.

SEC. 3. TREATMENT OF INVESTMENT OF ASSETS BY PLAN WHERE PARTICIPANT FAILS TO EXERCISE INVESTMENT ELECTIONS.

(a) In General.—Section 404(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104(c)) is amended by adding at the end the following new subsection:

“(4) DEFAULT INVESTMENT ASSIGNMENTS.—

“(A) In General.—For purposes of paragraph (1), a participant in an individual account plan meeting the notice requirements of subparagraph (B) shall be treated as exercising control over the assets in the account with respect to such contributions and earnings which, in the absence of an investment election by the participant, are invested by the plan in accordance with regulations prescribed by the Secretary. The regulations under this subparagraph shall provide guidance on the appropriateness of designating default investments that include a mix of asset classes consistent with long-term capital appreciation.

“(B) Notice Requirements.—The requirements of this subparagraph are met if each participant—

“(I) receives, within a reasonable period of time before each plan year, a notice explaining the participant’s right under the plan to designate how contributions and earnings will be invested and explaining how, in the absence of any investment election by the participant, such contributions and earnings will be invested, and

“(II) has a reasonable period of time after receipt of such notice and before the beginning of the plan year to make such designation.

“(ii) FORM OF NOTICE.—The requirements of clauses (i) and (ii) of section 401(k)(12)(D) of the Internal Revenue Code of 1986 shall be met with respect to the notices described in this subparagraph.

(b) Effective Date.—

(1) In General.—The amendments made by this section shall apply to plan years beginning after December 31, 2005.

(2) Regulations.—The amendments made by section 404(c)(14)(A) of the Employee Retirement Income Security Act of 1974 (as added by this section) shall be issued no later than 18 months after the date of the enactment of this Act.

By Mr. HATCH (for himself, Mrs. FEINSTEIN, Mr. SPECTER, Mr. KENNEDY, and Mr. HARKIN):

S. 876. A bill to prohibit human cloning and protect stem cell research; to the Committee on the Judiciary.

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

Mr. HATCH. Mr. President, I am very pleased to join with Senators FEINSTEIN, SPECTER, KENNEDY, and HARKIN to introduce the Human Cloning Ban and Stem Cell Research Protection Act of 2005. This bill could help usher in the next great era of medical treatment. At the same time, it will criminalize the offensive practice of reproductive cloning.

I believe we are on the verge of a similar step, a new generation in medical research and treatment, thanks to the incredible potential of stem cells. Stem cell research—particularly, embryonic stem cell research—holds great promise. To quote Nobel Laureate Dr. Harold Varmus, “The development of cell lines that may produce almost every tissue of the human body is an unprecedented scientific breakthrough. It is not too unrealistic to say that this research has the potential to revolutionize the practice of medicine and improve the quality and length of life.”

As Dr. Varmus noted, embryonic stem cell lines appear to have the amazing potential to transform themselves into any of the more than 200 types of cells that form the human body. These cells promise. To quote Nobel Laureate Dr. Harold Varmus, “The development of cell lines that may produce almost every tissue of the human body is an unprecedented scientific breakthrough. It is not too unrealistic to say that this research has the potential to revolutionize the practice of medicine and improve the quality and length of life.”

As Dr. Varmus noted, embryonic stem cell lines appear to have the amazing potential to transform themselves into any of the more than 200 types of cells that form the human body. These cells...
could be the key to understanding much about human health and disease and may yield new diagnostic tests, treatments, and cures for diseases such as diabetes, cancer, heart disease, Parkinson’s, autoimmune diseases, and many others.

Stem cell research could potentially be the scientific advance that takes the practice of medicine not just to the next level, but to five or ten levels above and beyond. Like my colleagues, I believe there is an urgent need for uniform federal rules governing stem cell research in America. But let me just stress one aspect of that need: ethics. Without the National Institutes of Health setting the ethical guidelines for stem cell research, we invite a host of problems. Most of us feel strongly that human reproductive cloning is wrong, for example. But where should the lines be drawn with regard to embryonic stem cell research—particularly, somatic cell nuclear transfer and the use of cell lines derived from IVF embryos?

The NIH is the obvious and crucial choice to help set the ethical boundaries. Our bill will ban outright any attempt at bringing to life a cloned human infant. It will also prohibit research on any embryo created through somatic cell nuclear transfer beyond 14 days, require informed consent of donors, prohibit profiteering from donated eggs, and mandate separation of the egg collection site from the recipient.

The NIH will help determine other suitable ethical guidelines in allowing this critical research to go forward with Federal funding and at federally-funded institutions. There is no question in my mind that, when they do, the rest of the world will follow.

Now, the last time we introduced this bill, there was interest in the fact that I, as a strongly pro-life senator, would be the lead sponsor. I think we have the rest of the world will follow. That support is building across the United States or elsewhere; or

(3) to export to a foreign country an unfertilized blastocyst;

(4) PROHIBITIONS ON HUMAN CLONING.—It shall be unlawful for any person or other legal entity, public or private, to:

(a) DEFINITIONS.—In this section:—

(1) HUMAN CLONING.—The term ‘human cloning’ means implanting or attempting to implant the nucleus of a human somatic cell into an oocyte without the functional equivalent of a uterus.

(2) HUMAN SOMATIC CELL.—The term ‘human somatic cell’ means any human cell other than a haploid germ cell.

(3) NUCLEAR TRANSPLANTATION.—The term ‘nuclear transplantation’ means transferring the nucleus of a human somatic cell into an oocyte from which the nucleus or all chromosomes have been or will be removed or rendered inert.

(4) NUCLEUS.—The term ‘nucleus’ means the cell structure that houses the chromosomes.

(5) OOCYTE.—The term ‘oocyte’ means the female germ cell, the egg.

(6) UNFERTILIZED BLASTOCYST.—The term ‘unfertilized blastocyst’ means an intact cellular structure that is the product of nuclear transplantation. Such term shall not include stem cells, other cells, cellular structures, or biological products derived from an intact cellular structure that is the product of nuclear transplantation.

(b) PROHIBITIONS ON HUMAN CLONING.—It shall be unlawful for any person or other legal entity, public or private, to:

(1) to conduct or attempt to conduct human cloning;

(2) to ship the product of nuclear transplantation in interstate or foreign commerce for the purpose of human cloning in the United States or elsewhere; or

(3) to export to a foreign country an unfertilized blastocyst, if said country does not prohibit human cloning.

(c) PROTECTION OF RESEARCH.—Nothing in this section shall be construed to restrict practices not expressly prohibited in this section.

(d) PENALTIES.—(1) CRIMINAL PENALTIES.—Whoever intentionally violates paragraph (1), (2), or (3) of subsection (b) shall be fined under this title and imprisoned not more than 10 years.

(2) CIVIL PENALTIES.—Whoever intentionally violates paragraph (1), (2), or (3) of subsection (b) shall be subject to a civil penalty of $1,000,000 or three times the gross pecuniary gain resulting from the violation, whichever is greater.

(3) FORFEITURE.—Any property, real or personal, derived from or used to commit a violation, or any property traceable to such property, shall be subject to forfeiture to the United States in accordance with the procedures set forth in chapter 46 of title 18, United States Code.

(e) RIGHT OF ACTION.—Nothing in this section shall be construed to give any individual or person a private right of action.

SEC. 102. OVERSIGHT REPORTS ON ACTIONS TO ENFORCE CERTAIN PROHIBITIONS.

(a) REPORT ON ACTIONS BY ATTORNEY GENERAL TO ENFORCE CHAPTER 16 OF TITLE 18.—Not later than 1 year after the date of enactment of this Act, the Attorney General shall prepare and submit to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives a report that—

(1) describes the actions taken by the Attorney General to enforce the provisions of chapter 16 of title 18, United States Code (as added by section 101);

(2) describes the personnel and resources the Attorney General has utilized to enforce the provisions of such chapter; and

(3) contains a list of any violations if, any, of the provisions of such chapter 16.

(b) REPORT ON ACTIONS OF STATE ATTORNEY GENERAL TO ENFORCE SIMILAR STATE LAWS.—

(1) DEFINITION.—In this subsection and subsection (c), the term ‘similar State law relating to human cloning and to protect important areas of medical research, including stem cell research.

TITLE I—PROHIBITION ON HUMAN CLONING

SEC. 101. PROHIBITION ON HUMAN CLONING.

(a) IN GENERAL.—Title 18, United States Code, is amended by inserting after chapter 16, the following:

CHAPTER 16—PROHIBITION ON HUMAN CLONING

§ 301. Prohibition on human cloning

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

S. 376

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 “Human Cloning Ban and Stem Cell Research Protection Act of 2005”.

SECOND. PURPOSE.

It is the purpose of this Act to prohibit human cloning and to protect important areas of medical research, including stem cell research.

SEC. 2. PURPOSES.

It is the purpose of this Act to prohibit human cloning and to protect important areas of medical research, including stem cell research.

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It is the purpose of this Act to prohibi...
(1) describes the laws adopted by foreign countries related to human cloning;
(2) describes the actions taken by the chief law enforcement officer in each foreign country that enacted a law described in paragraph (1) to enforce such law; and
(3) describes the multilateral efforts of the United Nations and elsewhere to ban human cloning.

TITLE II—ETHICAL REQUIREMENTS FOR NUCLEAR TRANSPLANTATION RESEARCH

SEC. 201. ETHICAL REQUIREMENTS FOR NUCLEAR TRANSPLANTATION RESEARCH.

Title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended by adding at the end the following:

"(c) PROHIBITION ON CONDUCTING NUCLEAR TRANSPLANTATION RESEARCH.—

"(1) IN GENERAL.—The definitions contained in section 300(a) of title 18, United States Code, shall apply for purposes of this section.

"(2) APPLICABILITY OF FEDERAL ETHICAL STANDARDS TO NUCLEAR TRANSPLANTATION RESEARCH.—Research involving nuclear transplantation shall be conducted in accordance with subpart A of part 46 of title 45, or parts 50 and 56 of title 21, Code of Federal Regulations, on the date of enactment of the Human Cloning Ban and Stem Cell Research Protection Act of 2003, as applicable:

(A) PROHIBITION ON CONDUCTING NUCLEAR TRANSPLANTATION ON FERTILIZED EGGS.—A somatic cell nucleus shall not be transplanted into a human oocyte that has undergone or will undergo fertilization.

(B) FOURTEEN-DAY RULE.—An unfertilized blastocyst shall not be maintained after more than 14 days from its first cell division, not counting the time during which it is stored at temperatures less than zero degrees centigrade.

(C) VOLUNTARY DONATION OF OOCYTES.—

(1) INFORMED CONSENT.—In accordance with subsection (b), an oocyte may not be used in nuclear transplantation research unless such oocyte shall have been donated voluntarily by and with the informed consent of the woman donating the oocyte.

(2) PROHIBITION ON PURCHASE OR SALE.—No human oocyte or unfertilized blastocyst may be acquired, received, or otherwise transferred for valuable consideration if the transfer affects interstate commerce.

(f) PROHIBITION ON USE OF HUMAN OOCYTES.—

Researchers involved in nuclear transplantation research involving human oocytes subject to assisted reproductive technology treatments or procedures shall only use human oocytes that have been donated voluntarily by women.

"(g) CIVIL PENALTIES.—Whoever intentionally violates any provision of subsection (b) through (f) shall be subject to a civil penalty in an amount that is appropriately less than $250,000.

Mrs. FEINSTEIN. Mr. President, today Senators HATCH, KENNEDY, SPECTER, HARKIN and I are introducing legislation to ban reproductive cloning, while ensuring that important medical research goes forward under strict oversight by the federal government.

Simply put, this legislation will enable research to be conducted that provides hope to millions of Americans suffering from paralysis and debilitating diseases including Juvenile Diabetes, Parkinson's, Alzheimer's, cancer and heart disease.

Every member of this body knows someone—who it's a parent or grandparent, a child or a friend—who suffers from one of these diseases. That is why this legislation is critical. We must act now to protect promising research that will bring hope to those who suffer.

I now that every member of this body would agree that human reproductive cloning is biologically and medically unethical. It should be outlawed by Congress and the President. That is exactly what this bill does.

It prohibits anyone from conducting or attempting to clone a human being. It also prohibits shipping materials for the purpose of human cloning in interstate or foreign commerce and prohibits the export of an unfertilized blastocyst to a foreign country if such country does not prohibit human cloning.

Any person that violates this prohibition is subject to harsh criminal and civil penalties. They include: imprisonment of up to 10 years in federal prison. Fines of up to $1 million or three times the gross profits resulting from the violation, whichever is greater.

This legislation draws a bright line between human reproductive cloning and reproductive treatments. Using somatic cell nuclear transplantation for the sole purpose of deriving embryonic stem cells.

Somatic cell nuclear transplantation is the process by which scientists derive embryonic stem cells that are an exact genetic match as the patient. Those embryonic stem cells will one day be used to correct defective cells such as non-insulin producing or cancerous cells. Then those patients will not be forced to take immuno-suppressive drugs and risk the chances of rejection since the new cells will contain their own DNA.

It is truly astonishing that somatic cell nuclear transplantation research may one day be used to regrow tissue or organs that could lead to treatments and cures for diseases that afflict up to 100 million Americans. What we are talking about here is research that does not even involve sperm and an egg.

I believe it is essential that this research be conducted with Federal Government oversight and under strict ethical requirements.

That is why the legislation: Mandates that eggs used in research be unfertilized. Prohibits the purchase or sale of unfertilized eggs—to prevent 'embryo farms' or the possible exploitation of women.

Imposes strong ethics rules on scientists, mandating informed consent by egg donors, and include safety and privacy protections.

Prohibits any research on an unfertilized blastocyst after 14 days—After 14 days, an unfertilized blastocyst begins differentiating into a specific type of cell such as a heart or brain cell and is no longer useful for the purposes of embryonic stem cell research.

Requires that all egg donations be voluntary, and that there is no financial or other incentive for egg donation.

Requires that nuclear transportation occur in labs completely separate from labs that engage in vitro fertilization.

And for those who violate or attempt to violate the ethical requirements of this legislation, there will be civil penalties of up to $250,000 per violation.

Embryonic stem cell research that is currently being done using private funds, in animal models, and by scientists overseas has shown great promise and potential. This progress will not be sustained in the U.S. without additional stem cell lines for federally-funded research and without strict federal oversight of this research.

Senator HATCH and I have argued this point for years. What has happened since the President limited federally-funded research to only those embryonic stem cell lines derived prior to August 9, 2001?

Researchers have made a number of advancements confirming the promise of embryonic stem cells using animal models and private research dollars. In the absence of federal policy on embryonic stem cell research and human reproductive cloning, States have taken action creating a patchwork of state laws under varying ethical frameworks. Fewer researchers are choosing to go into this field given the void created by Federal law.

Last January, a study published by researchers from the University of California San Diego and the Salk Institute for Biological Studies confirmed that all 22 existing federally-approved stem cell lines are tainted by mouse feeder cells and cannot be used in humans.

Researchers at the Whitehead Institute in Cambridge, MA, used embryonic stem cells created by somatic cell nuclear transplantation to cure a genetic defect in mice.

Researchers at Sloan-Kettering Cancer Center in New York found that embryonic stem cells produce proteins...
that can help illing organs repair themselves.

Stanford scientists were able to relieve diabetes symptoms in mice by using special chemicals to transform undifferentiated embryonic stem cells of the mice into masses that resemble islets found in the mouse pancreas.

In the absence of federal legislation, we have seen a patchwork of State laws under varying ethical frameworks and this is extremely worrisome. In total, 30 States have passed laws pertaining to stem cell research and there is tremendous variety in those laws.

California launched a $3 billion initiative to fund embryonic stem cell research including somatic cell nuclear transplantation research which bans human reproductive cloning.

At least 6 academic centers in California including UC San Francisco, Stanford, UCLA, UC Berkeley, UC Irvine and UC Davis have already begun developing facilities where this embryonic stem cell research will be conducted and are all actively recruiting stem cell biologists from across the country.

New Jersey has proposed a $300 million initiative to fund embryonic stem cell research. Wisconsin has proposed investing $750 million to support embryonic stem cell research.

By contrast, Arkansas, Iowa, North Dakota, South Dakota and Michigan have all prohibited nuclear transfer used to create stem cells. And 22 other States have enacted laws on the matter.

What this means is researchers and research money are now moving to States with pro-research laws and pro-research Governors.

There is clearly a void that needs to be filled—and it can only be filled by the Federal Government.

To be clear, this is research that involves humanized blastocyst. No sperm are involved. It is conducted in a petri dish and cannot occur beyond 14 days. It is also prohibited from ever being implanted into a woman to create a child.

For those who believe that the clump of cells in a petri dish that we are talking about is a human life, that is a moral decision each person must make for himself, but to impose that view on the more than 100 million of our parents, our friends who suffer from Parkinson’s, diabetes, Alzheimer’s and cancer is immoral.

As former Senator and Episcopalian minister John C. Danforth said recently in an op-ed piece in the New York Times, “Criminalizing the work of scientists doing such research would strongly support to one religious doctrine, and it would punish people who believe it is their religious duty to use science to heal the sick.

This is exactly why the legislation I am introducing with my colleagues Senators HATCH, KENNEDY, SPECKER and HARKIN is needed. I urge the Senate to take up and pass this bill and help turn the hopes of millions of Americans into reality.

I ask unanimous consent that the attached letter be printed in the RECORD. There being no objection, the letter was ordered to be printed in the RECORD, as follows:

**COALITION FOR THE ADVANCEMENT OF MEDICAL RESEARCH**

**WASHINGTON, DC, April 21, 2005, Senator DIANNE FEINSTEIN, U.S. Senate, 331 Hart Senate Office Building**

**DEAR SENATOR FEINSTEIN, On behalf of the Coalition for the Advancement of Medical Research (CAMR), I am writing to add my strong support for the introduction of the Human Cloning Ban and Stem Cell Research Protection Act with Senators ORRIN HATCH (R-UT), Senator ARLEN SPECTER (R-PA), Senator TED KENNEDY (D-MA), and Senator TOM HARKIN (D-IA), your leadership in protecting research using somatic cell nuclear transfer (SCNT), also known as therapeutic cloning, is greatly appreciated.

This year, Congress will address the future of biomedical research and the Nation’s efforts to prevent, treat, and cure such debilitating diseases as cancer, juvenile diabetes, AIDS, Parkinson’s disease, heart disease, and more. We strongly support the bill’s effort to allow for this research, which may provide essential tools allowing scientists to discover the potential of SCNT and regenerative medicine, however, we strongly support the bill’s effort to allow for this research, which may provide essential tools allowing scientists to
devastation it brings.

Our debate today is no different and Congress should do all it can to support lifesaving research, not prohibit it.

Other nations are more than willing to leave us behind. The potential of this research is so immense that some of our best scientists are already leaving America to pursue their dreams in other countries.

We need to stop that exodus before it becomes a nightmare. Do we really want to wake up 10 years from now and hear that a former American scientist in another land has won the Nobel Prize in medicine for a landmark discovery in stem cell research? We do not want to see that happen.

We chose instead to vote for new hope and new cures. Today, countless Americans and persons throughout the world are already benefiting from the new treatments that biotechnology has brought. Why call a halt to it?

In the 1980s Congress made the right choice, again, by rejecting attempts to outlaw in vitro fertilization, a technique that has fulfilled the hopes and dreams of thousands of parents who would never have been able to have a child.

Our debate today is no different and Congress should do all it can to support lifesaving research, not prohibit it.

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We chose instead to vote for new hope and new cures. Today, countless Americans and persons throughout the world are already benefiting from the new treatments that biotechnology has brought. Why call a halt to it?
year, or biennial budget process. This is the most important reform we can enact to streamline the budget process, to make the Senate a more deliberative and effective institution, and to make us more accountable to the American people.

Moving to a biennial budget and appropriations process enjoys very broad support. President Bush has supported a biennial budgeting process. Presidents Clinton, Reagan and Bush also proposed a biennial appropriations and budget cycle. Leon Panetta, who served as White House Chief of Staff, OMB Director, and House Budget Committee Chairman, has advocated a biennial budget since the late 1970s. Former OMB and CBO Director Alice Rivlin has called for a biennial budget the past two decades. The Majority Leader is a co-sponsor of this legislation.

Vice President Gore’s National Performance Review and the 1993 Joint Committee on the Reorganization of Congress recommended a biennial appropriations and budget cycle.

A biennial budget will dramatically improve the current budget process. The current annual budget process is redundant, inefficient, and destined for failure. Look at what we struggle to complete each year under the current annual process. The annual budget process consumes three years: one year for the Administration to prepare the President’s budget, another year for the Congress to put the budget into law, and the final year to actually execute the budget.

Today, I want to focus just on the Congressional budget process, the process of annually passing a budget resolution, authorisation legislation, and multiple appropriation bills. The record clearly shows that last year’s experience was nothing new. Under the annual process, we consistently fail to complete action on multiple appropriations bills, reauthorize programs, and meet our deadlines.

While we have made a number of improvements in the budget process, the current annual process is redundant and inefficient. The Senate has the same debate, amendments and votes on the same issue three or four times a year—once on the budget resolution, again on the authorization bill, and finally on the appropriations bill.

A few years ago, I asked the Congressional Research Service (CRS) to update and expand upon an analysis of the amount of time we spend on the budget. CRS looked at all votes on appropriations, revenue, reconciliation, and debt limit measures as well as budget resolutions. CRS then examined any other vote dealing with budgetary levels, Budget Act waivers, or votes pertaining to the budget process. Beginning with 1980, budget related votes started dominating the work of the Senate. In 1996, 73 percent of the votes the Senate took were related to the budget.

If we cannot adequately focus on our duties because we are constantly de-bating the budget throughout the authorizing, budgeting, and appropriations process, just imagine how confused the American public is about what we are doing. The result is that the public does not understand what we are doing and it breeds cynicism about our government.

Under the legislation I am introducing today, the President would submit a 2-year budget and Congress would consider a 2-year budget resolution and 2-year appropriation bills during the first session of Congress. The second session of the Congress would be devoted to consideration of authorization bills and oversight of government agencies.

Most of the arguments against a biennial budget process will come from those who claim we cannot predict or plan on a two year basis. For most of the budget, we do not actually budget on an annual basis. Our entitlement and revenue laws are under permanent law and do not change these laws on an annual basis. The only component of the budget that is set in law annually are the appropriated, or discretionary, accounts.

The most predictable category of the budget are these appropriated, or discretionary, accounts of the federal government. Much of this spending is associated with international activities or emergencies. Because most of this funding cannot be predicted on an annual basis, a biennial budget is no less deficit than the current annual process. My bill does not preclude supplemental appropriations necessary to meet these emergency or unanticipated requirements.

In 1993 I had the honor to serve as co-Chairman on a Joint Committee that studied the operations of the Congress. Senator BYRD testified before that Committee that the increasing demands put on us as Senators has led to our “fractured attention.” We simply are too busy to adequately focus on the people’s business. This legislation is designed to free up time and focus our attention, particularly with respect to the oversight of Federal programs and activities.

Frankly, the limited oversight we are now doing is not as good as it should be. Our authorizing committees are increasingly crowded out of the legislative process. Under a biennial budget, the oversight portion of the biennium will be exclusively devoted to examining federal programs and developing authorization legislation. The calendar will be free of the budget and appropriations process, giving these committees the time and opportunity to provide oversight, review and legislate changes to federal programs. Oversight and the authorization should be an ongoing process, but a biennial appropriations process will provide greater opportunity for legislators to concentrate on programs and policies in the second year.

Mr. President, a biennial budget cannot make the difficult decisions that must be made in budgeting, but it can provide the tools necessary to make much better decisions. Under the current annual budget process we are constantly spending the taxpayers’ money instead of focusing on how best and most efficiently we should spend the taxpayers’ money. By moving to a biennial budget cycle, we can plan, budget, and appropriate more effectively, strengthen oversight and watchdog functions, and improve the efficiency of government agencies.

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. 877

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 called the “Biennial Budgeting and Appropriations Act”.

SEC. 2. REVISION OF TIMETABLE. The section 300 of the Congressional Budget Act of 1974 (2 U.S.C. 631) is amended to read as follows:

"TIMETABLE:

"SEC. 300. (a) In General.—Except as provided by subsection (b), the timetable with respect to the congressional budget process for any Congress (beginning with the One Hundred Tenth Congress) is as follows:

On or before: Action to be completed:
February 15 | President submits budget recommendations.
February 15 | Congressional Budget Office submits report to Budget Committees.
Not later than 6 weeks after budget submission.
April 1 | Budget Committees report concurrent resolution on the biennium.
May 15 | Congress completes action on concurrent resolution on the biennium.
May 15 | Biennial appropriation bills may be considered in the House.
June 30 | House Appropriations Committee reports last biennial appropriation bill.
June 30 | House completes action on biennial appropriation bills.
August 1 | Congress completes action on reconciliation legislation.
October 1 | Biennium begins.

"First Session

"Second Session

"On or before: Action to be completed:
February 15 | President submits budget review.
Not later than 6 weeks after President submits budget report to Budget Committee.
"On or before: Action to be completed:
February 15 | Congressional Budget Office submits report to Budget Committees.

"(b) SPECIAL RULE.—In the case of any first session of Congress that begins in any year immediately following a leap year and during which the term of a President (except a President who succeeds himself or herself) begins, the following dates shall supersede those set forth in subsection (a):

"First Session

April 21, 2005

(a) DECLARATION OF PURPOSE.—Section 2(2) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 621(2)) is amended by striking “each year” and inserting “biennially”.

(b) DEFINITIONS.—

(1) BUDGET RESOLUTION.—Section 3(4) of such Act (2 U.S.C. 622(4)) is amended by striking “fiscal year” each place it appears and inserting “biennium”.

(2) CONCURRENT RESOLUTION.—Section 3(3) of such Act (2 U.S.C. 622(3)) is further amended by adding at the end the following new paragraph:

“(ii) in paragraph (7), by striking "for the fiscal year of that biennium"; and

(iii) striking "for the fiscal year of that biennium" and inserting "for each fiscal year in the biennium"; and

(iv) by inserting "for each fiscal year of that biennium".

(3) APPLICATION TO THE SENATE.—Section 303(b)(1) of such Act (2 U.S.C. 634(b)) is amended by—

(A) striking "the first fiscal year" and inserting "each fiscal year in the biennium"; and

(B) striking "that fiscal year" and inserting "the biennium".

(4) ECONOMIC ASSUMPTIONS.—Section 301(g)(1) of such Act (2 U.S.C. 632(g)(1)) is amended by striking "for a fiscal year" and inserting "for each fiscal year in the biennium".

(b) DEFINITIONS.—

(1) IN GENERAL.—Section 303(a) of such Act (2 U.S.C. 634(a)) is amended by—

(A) striking "the first fiscal year" and inserting "each fiscal year in the biennium"; and

(B) striking "that fiscal year" and inserting "the biennium".

(2) IN THE HOUSE.—Section 311(a)(1) of such Act (2 U.S.C. 641(a)) is amended by—

(A) by adding a new paragraph (2) which reads as follows:

"(2) by striking "for a fiscal year" and inserting "for each fiscal year of the biennium"; and

(B) by striking "for such fiscal year" and inserting "for each fiscal year of the biennium".

(3) APPROPRIATION BILLS.—Section 309 of such Act (2 U.S.C. 643) is amended by—

(1) in the matter preceding paragraph (1), by striking "any fiscal year" and inserting "any biennium"; and

(2) by striking "annual" and inserting "biennial".

(4) COMPLETION OF ACTION ON REGULAR APPROPRIATION BILLS.—Section 309 of such Act (2 U.S.C. 641) is amended by—

(1) in subsection (a), by striking "of any odd-numbered calendar year" after "July"; and

(2) by striking "annual" and inserting "biennial".

(5) HEARINGS.—Section 301(e)(1) of such Act (2 U.S.C. 634) is amended by—

(1) by striking "fiscal year" and inserting "biennium".

(6) GOALS FOR REDUCING UNEMPLOYMENT.—Section 309 of such Act (2 U.S.C. 641) is amended by striking "for such fiscal year" and inserting "for each fiscal year in the biennium".

SEC. 4. AMENDMENTS TO TITLE 31, UNITED STATES CODE.

(a) DEFINITION.—Section 1101 of title 31, United States Code, is amended by adding at the end thereof the following new paragraph:

"(5) ‘biennium’ has the meaning given to such term in paragraph (1) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(11))."

(b) BUDGET RESOLUTION.—Section 303(b)(1) of such Act (2 U.S.C. 634(b)) is amended by—

(A) striking "any biennium"; and

(B) striking "for a fiscal year" and inserting "for each fiscal year in the biennium".

(c) ECONOMIC ASSUMPTIONS.—Section 301(g)(1) of such Act (2 U.S.C. 632(g)(1)) is amended by—

(1) by striking "for a fiscal year" and inserting "in each biennium"; and

(2) by striking "annual" and inserting "biennial".

(d) CONCLUSION.—Section 309 of such Act (2 U.S.C. 643) is amended by—

(1) in subsection (b), by striking "of any odd-numbered calendar year" after "July"; and

(2) by striking "annual" and inserting "biennial".

(e) IMPOUNDMENT.—Section 301(e)(1) of such Act (2 U.S.C. 634) is amended by—

(1) by striking "fiscal year" and inserting "biennium".

(f) COMPLETION OF ACTION ON REGULAR APPROPRIATION BILLS.—Section 309 of such Act (2 U.S.C. 641) is amended by—

(1) in subsection (a), by striking "of any odd-numbered calendar year" after "July"; and

(2) by striking "annual" and inserting "biennial".

(g) BUDGET RESOLUTION.—Section 303(b)(1) of such Act (2 U.S.C. 634(b)) is amended by—

(A) striking "any biennium"; and

(B) striking "for a fiscal year" and inserting "for each fiscal year in the biennium".

(h) CONCLUSION.—Section 309 of such Act (2 U.S.C. 643) is amended by—

(1) in subsection (b), by striking "of any odd-numbered calendar year" after "July"; and

(2) by striking "annual" and inserting "biennial".

(i) IMPOUNDMENT.—Section 301(e)(1) of such Act (2 U.S.C. 634) is amended by—

(1) by striking "fiscal year" and inserting "biennium".

(j) COMPLETION OF ACTION ON REGULAR APPROPRIATION BILLS.—Section 309 of such Act (2 U.S.C. 641) is amended by—

(1) in subsection (a), by striking "of any odd-numbered calendar year" after "July"; and

(2) by striking "annual" and inserting "biennial".

SEC. 5. AMENDMENTS TO THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974.
budget for the biennium beginning on Octo-
ber 1 of such calendar year. The budget of
the United States Government transmitted
under this subsection shall include a budget
message and summary and supporting infor-
mation. The President shall include in each
budget the followings:

(2) ESTIMATES.—Section 1105(a)(5) of
Title 31, United States Code, is amended
by striking "the fiscal year for which the bud-
get is submitted and the 4 fiscal years after
that year" and inserting "each fiscal year in
the biennium for which the budget is sub-
mitted and in the succeeding 4 fiscal years);

(3) RECEIPTS.—Section 1105(a)(6) of Title
31, United States Code, is amended by
striking "the fiscal year for which the budget is sub-
mitted and the 4 fiscal years after that year" and
inserting "each fiscal year in the biennium
in which the budget is submitted and in the succeeding 4 years";

(4) BALANCE STATEMENTS.—Section
1105(a)(9)(C) of Title 31, United States Code, is
amended by striking "the fiscal year" and
inserting "each fiscal year in the biennium";

(5) FUNCTIONS AND ACTIVITIES.—Section
1105(a)(12) of Title 31, United States Code, is
amended in subparagraph (A), by striking
"the fiscal year" and inserting "each fiscal
year in the biennium";

(6) ALLOWANCES.—Section 1105(a)(13) of
Title 31, United States Code, is amended by
striking "the fiscal year" and inserting "each fiscal
year in the biennium";

(7) ALLOWANCES FOR UNCONTROLLED
EXPENDITURES.—Section 1105(a)(14) of Title
31, United States Code, is amended by striking
"that year" and inserting "each fiscal year in
the biennium for which the budget is submitted";

(8) TAX EXPENDITURES.—Section 1105(a)(16)
of Title 31, United States Code, is amended by
striking "the fiscal year" and inserting "each fiscal
year in the biennium";

(9) FUTURE YEARS.—Section 1105(a)(17) of
Title 31, United States Code, is amended—
(A) by striking "the following fiscal year" and
inserting "each fiscal year in the biennium
following the biennium";

(B) by striking "that following fiscal year" and
inserting "each such fiscal year";

(C) by striking "fiscal year before the fis-
cal year" and inserting "biennium before the
biennium";

(10) PRIOR YEAR OUTLAYS.—Section
1105(a)(18) of Title 31, United States Code, is amend-
ed—
(A) by striking "the prior fiscal year" and
inserting "each of the 2 most recently com-
pleted fiscal years";

(B) by striking "for that year" and
inserting "with respect to those fiscal years";

(C) by striking "in that year" and insert-
ing "in those fiscal years";

(11) PRIOR YEAR RECEIPTS.—Section
1105(a)(19) of Title 31, United States Code, is amend-
ed—
(A) by striking "the prior fiscal year" and
inserting "each of the 2 most recently com-
pleted fiscal years";

(B) by striking "for that year" and
inserting "with respect to those fiscal years";

(C) by striking "in that year" and insert-
ing "in those fiscal years";

SEC. 5. TWO-YEAR APPROPRIATIONS, TITLE AND
STYLE OF APPROPRIATIONS ACTS.
Section 105 of title 1, United States Code, is amend-
ed to read as follows:

8105. Title and style of all Appropriations Acts
(a) The style and title of all Acts making appropriations for the support of the
Government shall be as follows:
(1) By the act making appropriations (here insert the object) for each
fiscal year in the biennium for which the act makes appropriations
here insert the fiscal years of the biennium.
(2) In the matter before paragraph (1), by striking "biennium" and inserting "the
biennium beginning on the first fiscal year of such biennium and ending on the
second fiscal year of such biennium beginning on such first fiscal year."
(3) in paragraph (6) of subsection (f) by striking “annual” and inserting “biennial”.

(d) Managerial Accountability and Flexibility.—Section 507 of title 31, United States Code, relating to managerial accountability, is amended—

(1) in subsection (a)—

(A) in the first sentence by striking “annual” and inserting “biennial”;

(B) by striking “section 1105(a)(29)” and inserting “section 1105(a)(28)”;

(2) in subsection (e) by striking “the first fiscal year of the next biennial period” and inserting “a subsequent 2-year period”;

And

(C) in the third sentence by striking “three” and inserting “four”.

(e) Pilot Projects for Performance Budgeting.—Section 1119 of title 31, United States Code, is amended—

(1) in paragraph (1) of subsection (d), by striking “annual” and inserting “biennial”; and

(2) in subsection (e), by striking “annual” and inserting “biennial”.

(f) Strategic Plans.—Section 2802 of title 39, United States Code, is amended—

(1) by inserting after the first sentence “for both years 1 and 2 of the biennial plan”;

(2) in paragraph (5), by inserting after “for each” “biennial”;

(3) in paragraph (1), by striking “at least every five years” and inserting “at least every 6 years forward”; and

(4) in paragraph (2), by striking “biennial” and inserting “biennial”.

(g) Performance Plans.—Section 2803(a) of title 39, United States Code, is amended—

(1) in the matter before paragraph (1), by striking “an annual” and inserting “a biennial”;

(2) in paragraph (1), by inserting after “program activity” the following: “for both years 1 and 2 of the biennial plan”;

(3) in paragraph (2), by striking “and” and inserting “and”;

(4) in paragraph (3), by striking “January 1, 2007” and inserting “January 1, 2008”;

(5) by adding at the end of paragraph (4) the following:

“Not later than 180 days after the date of enactment of this Act, the Director of OMB shall—

(1) determine the impact and feasibility of changing the definition of a fiscal year and the budget process based on that definition to a 2-year fiscal period with a biennial budget process based on the 2-year period; and

(2) report the findings of the study to the Committees on the Budget of the House of Representatives and the Senate.

(h) Committee Views of Plans and Reports.—Section 301(d) of the Congressional Budget Act (2 U.S.C. 632(d)) is amended by adding at the end “Each committee of the Senate or the House of Representatives shall review the strategic plans, performance plans, and performance reports, required under section 306 of title 5, United States Code, and sections 1115 and 1116 of title 31, United States Code, of all agencies under the jurisdiction of such committee. Each committee may provide its views on such plans or reports to the Committee on the Budget of the applicable House.”.

(i) Effective Date.—

(1) In general.—The amendments made by this section shall take effect on January 1, 2007.

(2) Agency Actions.—Effective on and after the date of enactment of this Act, each agency shall take such actions as necessary to prepare and submit any plan or report in accordance with the amendments made by this Act.


(a) In General.—Title III of the Congressional Budget Act of 2003 (2 U.S.C. 631 et seq.) is amended by adding at the end the following:

“Consideration of Biennial Appropriations Bills.

SEC. 317. It shall not be in order in the House of Representatives or the Senate in any odd-numbered year to consider any regular bill providing authority or a limitation on obligations under the jurisdiction of any of the subcommittees of the Committee on Appropriations for only the fiscal year of the biennium unless that bill is program, project, activity for which the new budget authority or obligation limitation is provided will be completed or terminated before the amount provided has been expended.”

(b) Amendment to Table of Contents.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding after the table of contents a new title 316 the following new title:

“Sec. 317. Consideration of biennial appropriations bills.”


Not later than 180 days after the date of enactment of this Act, the Director of OMB shall—

(1) determine the impact and feasibility of changing the definition of a fiscal year and the budget process based on that definition to a 2-year fiscal period with a biennial budget process based on the 2-year period; and

(2) report the findings of the study to the Committees on the Budget of the House of Representatives and the Senate.

SEC. 10. Effective Date.

(a) In General.—Except as provided in sections 8 and 10 and subsection (b), this Act and the amendments made by this Act shall take effect January 1, 2007, and shall apply to budget requests and authorizations for the biennium beginning with fiscal year 2008.

(b) Authorizations for the Biennium.—For purposes of authorizations for the biennium beginning with fiscal year 2006, the provisions of this Act and the amendments made by this Act relating to 2-year authorizations shall take effect January 1, 2000.

By Mr. CORZINE (for himself and Mr. LAUTENBERG):

S. 870. A bill to amend the Outer Continental Shelf Lands Act to permanently prohibit the conduct of offshore drilling on the Outer Continental Shelf in the Mid-Atlantic and North Atlantic planning areas; to the Committee on Energy and Natural Resources.

Mr. CORZINE, Mr. President, today, along with Senator LAUTENBERG, I am introducing legislation, the Clean Ocean and Safe Tourism Anti-Drilling Act, or COAST Anti-Drilling Act, to ban oil and gas drilling off the Mid-Atlantic and Northern Atlantic coast.

The people of New Jersey, and other residents of States along the Atlantic Coast, do not want oil or gas rigs anywhere near their treasured beaches and fishing grounds. Such drilling poses serious threats not only to our environment, but to our economy, which depends heavily on tourism along our coastline. Coastal tourism is New Jersey’s second-largest industry, and the New Jersey Shore is one of the fastest growing regions in the country. According to the New Jersey Department of Commerce, tourism in the Garden State generates more than $31 billion in spending, directly and indirectly supporting more than 836,000 jobs, more than 20 percent of total State employment, generates more than $16.6 billion in wages, and brings in more than $5.5 billion in tax revenues to the State.

Until the Bush administration came into office in 2001, the Federal Offshore Management Service released a request for proposals, RFP, to conduct a study of the environmental impacts of drilling in the Mid- and North-Atlantic. The RFP noted that “there are areas with some reserved potential” in the Mid- and North-Atlantic. In addition, the RFP explained that the study would be conducted “in anticipation of managing the exploitation of potential and proven reserves.” I believed that the RFP was inappropriate and misguided, and I was pleased when at my urging and the urging of other coastal Senators, the administration rescinded it.

After our strong bipartisan coalition fought off the Department of the Interior RFP, our coastal coalition came together again to fight off the Outer Continental Shelf inventory provisions of last year’s energy bill. The bill directed the Department of the Interior to inventory all potential oil and natural gas resources on the outer Continental Shelf, including areas off the coast of New Jersey. The bill would have allowed the use of seismic surveys, dart core sampling, and other exploration technologies, all of which would leave these areas vulnerable to oil spills, drilling discharges and damage to coastal wetlands. These provisions run directly counter to language that Congress has included annually in appropriations bills to permanently prohibit the conduct of offshore drilling on the Outer Continental Shelf in the Mid-Atlantic and North Atlantic planning areas, to bar oil and gas drilling off the Mid- and North Atlantic coast.

So considering the minimal benefit and significant downside of drilling off the coast of New Jersey, it is not worth threatening over 800,000 New Jersey jobs to recover what the MMS estimated in 2000 to be 196 million barrels

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of oil, only enough to last the country barely 10 days.

I certainly don’t think it is worth the risk, and it is time for Congress to act to resolve this question once and for all. That is why I am introducing the COAST Anti-Drilling Act. The Clean Ocean and Safe Tourism Anti-Drilling Act would permanently ban drilling for oil, gas and other minerals in the Mid-and North-Atlantic.

I look forward to working with my colleagues to enact this important legislation. Doing so would ensure the people of New Jersey and neighboring States that they need not fear the specter of oil rigs off their beaches.

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. 878

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 “Clean Ocean and Safe Tourism Anti-Drilling Act” or the “COAST Anti-Drilling Act”.

SEC. 2. PROHIBITION OF OIL AND GAS LEASING IN CERTAIN AREAS OF THE OUTER CONTINENTAL SHELF.

Section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) is amended by adding at the end the following:

“(p) PROHIBITION OF OIL AND GAS LEASING IN CERTAIN AREAS OF THE OUTER CONTINENTAL SHELF.—Notwithstanding any other provision of this section or any other law, the Secretary of the Interior shall not issue a lease for the exploration, development, or production of oil, natural gas, or any other mineral in—

(1) the Mid-Atlantic planning area; or
(2) the North Atlantic planning area.”

By Ms. MURKOWSKI:

S. 879. A bill to make improvements to the Arctic Research and Policy Act of 1984; to the Committee on Homeland Security and Governmental Affairs.

Ms. MURKOWSKI. Mr. President, it has been 20 years since the passage of the Arctic Research and Policy Act of 1984, a bill sponsored by the former Senator Murkowski. The time has come to make some modifications to reflect the experience we’ve gained over that time.

I’m pleased to note that the amendments I introducing today are really very modest, just an indication that the act—and the presidential commission it created—have functioned quite well. These minimal changes will, I hope, make them function even more smoothly.

First, the chairman of the Arctic Research Commission will be authorized compensation for an additional 30 days of work during the course of a year. That is still far less than the actual number of days demanded by the position, but will help. Second, the bill will allow the Commission to stimulate additional interest in Arctic research by establishing a professional award program for excellence in research. Current and former members of the Commission will not be eligible. Awards will be capped at a symbolic amount of $1,000, but the recognition by each winner’s scientific peers will be invaluable. Third and finally, the bill will allow the Commission to reciprocate in the expected manner for foreign delegations host a reception or other event. This provision is limited to no more than two-tenths of a percent of the Commission budget—as with the award program, the value is primarily symbolic, but important, beyond that.

Although these are small changes, they will help ensure a smoothly functioning Arctic Research Act, and that is important. Although it is not something you hear about on a daily basis, the United States is a leader in the very small circle of Arctic nations, and the Congress plays a major role in ensuring that we remain a leader in this critically important sphere. And make no mistake about it, the Arctic is critical to this country for social, strategic, economic and scientific reasons that are simply too plentiful to enumerate at this time.

The main purposes of the Arctic Research and Policy Act are: 1, to establish national policy for basic and applied research on Arctic resources and materials, physical, biological and health sciences, and social and behavioral sciences; 2, to establish the U.S. Arctic Research Commission to promote Arctic research and to recommend research policy; 3, to designate the National Science Foundation as the lead agency for implementing Arctic research; and, 4, to establish the Interagency Arctic Research Policy Committee, IARPC, which is responsible for coordinating a multiplicity of Arctic research efforts throughout the government.

As we continue to see evidence of Arctic warming—whether or not we consider it to be human-caused or natural, global or regional—it is of tremendous importance to prepare as best we can. The future may hold both positives—such as increased agricultural production and access to natural resources—and negatives—such as widespread damage to existing infrastructure, flooding, and sweeping social changes. The Arctic Research Commission plays a vital role and deserves our full support.

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. 879

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 “Arctic Research and Policy Amendments Act of 2005”.

SEC. 2. CHAIRPERSON OF THE ARCTIC RESEARCH COMMISSION.

(a) COMPENSATION.—Section 103(d)(1) of the Arctic Research and Policy Act of 1984 (15 U.S.C. 4102(d)(1)) is amended in the second sentence by striking “90 days” and inserting “, in the case of the chairperson, 120 days, and, in the case of any other member, 90 days”.

(b) REDesignation.—Section 103(d)(2) of the Arctic Research and Policy Act of 1984 (15 U.S.C. 4102(d)(2)) is amended by striking “Chairman” and inserting “chairperson”.

SEC. 3. COMMISSION AWARDS FOR EXCELLENCE IN RESEARCH.

(a) AUTHORITY.—Section 104 of the Arctic Research and Policy Act of 1984 (15 U.S.C. 4103) is amended—

(1) by redesignating subsection (b) as subsection (c); and
(2) by inserting after subsection (a) the following new subsection:

“(b) COMMISSION AWARDS FOR EXCELLENCE IN RESEARCH.

“(1) IN GENERAL.—Each year, the Commission may make a cash award to any person in recognition of excellence in Arctic research conducted by such person or outstanding support of Arctic research provided by such person.

“(2) AMOUNT.—The amount of a cash award made to a person under paragraph (1) shall not exceed $1,000.

“(3) INELIGIBILITY OF COMMISSION MEMBERS.—An individual who is or has been a member of the Commission shall be ineligible to receive an award under paragraph (1).”.

(b) TECHNICAL AMENDMENTS.—Section 104 of such Act, as amended by subsection (a), is further amended—

(1) by inserting “DUTIES OF COMMISSION,” before “The Commission” in subsection (a); and
(2) by inserting “REPORT,” before “Not later than” in subsection (c).

SEC. 4. REPRESENTATION AND RECEPTION ACTIVITIES.

Section 106 of the Arctic Research and Policy Act of 1984 (15 U.S.C. 4105) is amended—

(1) by striking “and” at the end of paragraph (4); and
(2) by striking the period at the end of paragraph (5) and inserting “; and”;

(3) by adding at the end the following:

“(6) expend for representation and reception expenses each fiscal year not more than 0.2 percent of the amounts made available to the Commission under section 111 for such fiscal year.”.

By Mrs. BOXER (for herself and Mrs. FEINSTEIN):

S. 880. A bill to expand the boundaries of the Gulf of the Farallones National Marine Sanctuary and the Cordell Bank National Marine Sanctuary; to the Committee on Environment and Public Works.

Mrs. BOXER. Mr. President, today I am introducing the Gulf of the Farallones and Cordell Bank National Marine Sanctuaries Boundary Modification and Protection Act. I am joined in this effort by Senator FEINSTEIN and Representative LYNN WOOLSEY who has introduced the companion bill in the other body.

The Gulf of the Farallones and the adjacent Cordell Bank are rich with wildlife and are visually spectacular. They are one of California’s—indeed America’s—great natural treasures. The thirty-three marine mammal species use this area. Over half of these are threatened or endangered. The sanctuaries also contain one of the largest
populations of blue and humpback whales in the world. Every summer, many grey whales dwell in the boundaries and neighboring waters of the sanctuaries. In addition, birds rely on the rich waters and surrounding land for nesting, feeding, and rearing of their young. As effective as the current boundaries are in protecting this wildlife, new risks and a better understanding of the ecosystem necessitate extending the existing boundaries.

My legislation would expand the boundaries of the two existing national marine sanctuaries to protect the entire Sonoma Coast. By expanding the boundaries of both the Gulf of the Farallones and Cordell Bank National Marine Sanctuaries, the bill will protect the Russian and Gualala River estuaries and the nutrient-rich Bodega Canyon from offshore oil drilling and pollution.

Expanding these marine sanctuaries will help to ensure that they remain the treasures they are. I urge my colleagues to support this bill.

By Ms. CANTWELL (for herself, Mr. MURRAY, Mr. DOGGETT, Mrs. MURRAY, and Mr. INOUYE):

S. 881. A bill to provide for equitable compensation to the Spokane Tribe of Indians of the Spokane Reservation for the use of tribal land for the production of hydropower by the Grand Coulee Dam, and for other purposes; to the Committee on Indian Affairs.

Ms. CANTWELL. Mr. President, I rise today to introduce legislation with my colleague from Washington State, Senator MURRAY, and other Senate Indian Affairs Committee chairman, Senator INOUYE of Hawaii. The bill I submit today, which is identical to S. 1438 which passed the Senate unanimously on November 19, 2004, provides an equitable settlement of a longer standing instance to the Spokane Tribe of Indians.

For more than half a century, the Columbia Basin Project has made an extraordinary contribution to this nation. It helped pull the economy out of the Great Depression. It provided the electricity that produced aluminum required for airplanes and weapons that ensured our national security. The project continues to produce enormous revenues for the United States. It is a key component of the agricultural economy in eastern Washington and plays a pivotal role in the electric systems serving the entire western United States.

However, these benefits have come at a direct cost to tribal property that became inundated when the U.S. Government built the Grand Coulee Dam. Before dam construction, the free flowing Columbia River supported robust and plentiful salmon runs and provided for virtually all the subsistence needs of the Spokane Tribe. After construction of the Columbia and its Spokane River tributary flooded tribal communities, schools, and roads, and the remaining stagnant water continues to erode reservation lands today.

The legislation Senators INOUYE, MURRAY and I are introducing today is similar to P.L. 103-436, which was enacted in 1994 to provide just compensation for the use of its lands for the production of hydropower by the Grand Coulee Dam under a formula based on the Colville Tribes' settlement legislation in 1994. The Spokane Tribe lost lands equivalent in area to 39.4 percent of the lands lost to Colville Tribes a settlement based solely on this factor would result in a proportional payment of 39.4 percent to the Spokane Tribe. This was the formula basis for similar Spokane settlement legislation introduced in the Senate in the 101st, 105th, and 106th Congress. However, based upon good faith, honorable and extensive negotiations by and between the Spokane Tribe, the Bonneville Power Administration, the Bureau of Reclamation, and the Fish and Wildlife Service during the past year, this percentage has been reduced to 29 percent in recognition of the fact that certain lands taken for the construction of the Grand Coulee Dam would be restored to the tribe to the extent permitted under the terms of this legislation. The legislation reserves a perpetual right, power, and easement over the land transferred to carry out the Columbia Basin Project under the Columbia Basin Project Act, 16 U.S.C. 832 et seq.

The United States has a trust responsibility to maintain and protect the integrity of all tribal lands with its borders. When Federal actions physically or economically impact or harm, our relations or economically impact or harm, our relations or the Spokane Tribe's resource to its own benefit. Senators INOUYE, MURRAY and I believe that the legislation we are proposing today will finally bring a fair and honorable closure to these matters. We are pleased that similar bipartisan legislation was also introduced today in the U.S. House of Representatives.

I look forward to working with the Indian Affairs Committee and Senate colleagues as this legislation proceeds through the Congress.

By Mr. DURBIN (for himself, Ms. STABENOW, Mr. WYDEN, Mr. LUTTENBERGER, Mr. BAYH, Mr. LEAHY, Mr. LIEBERMAN, Mrs. BOXER, Mr. KENNEDY, Mr. REED, Mrs. CLINTON, Mr. CORZINE, Mr. KERRY, Mr. FEINGOLD, and Mr. SCHUMER):

S. 882. A bill to designate certain Federal land in the State of Utah as wilderness, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. DURBIN. Mr. President, I rise today to introduce America's Red Rock Wilderness Act of 2005. This legislation continues our Nation's commitment to preserve our natural heritage. Preservation of our Nation's vital natural resources will be one of our most important legacies.

Unfortunately, remaining wilderness areas are increasingly threatened and degraded by oil and gas development, mining, claims of rights of way, logging and off-road vehicles. America's Red Rock Wilderness Act will designate 9.5 million acres of land managed by the Bureau of Land Management, BLM, in Utah as wilderness under the Wilderness Act. Wilderness designation will preserve the land's wilderness character, along with the values associated with that wilderness; scenic beauty, solitude, wildlife, geological features, archaeological sites, and other features that are scientific, educational and historical value.

America's Red Rock Wilderness Act will provide wilderness protection for red rock cliffs offering spectacular vistas of rare rock formations, canyons and desert lands, important archaeological sites, and habitat for rare plant and animal species.

Volunteers have taken inventories of thousands of square miles of BLM land in Utah to help determine which lands should be protected. These volunteers provided extensive documentation to ensure that these areas meet Federal wilderness criteria. The BLM also completed a reinventory of approximately 6 million acres of Federal land in the same area. The results provide a convincing confirmation that the areas designated for protection under this bill meet Federal wilderness criteria.

For more than 20 years Utah conservationists have been working to add the last great legacies of undeveloped BLM-administered land in Utah to the National Wilderness Preservation System. The lands proposed for protection...
surround and connect eight of Utah’s nine national park, monument, and recreation areas. These proposed BLM wilderness areas easily equal their neighboring national parklands in scenic beauty, opportunities for recreation, and ecological importance. Yet, unlike the national parklands, the scenic treasures lack any form of long-term protection.

While my legislation would unambiguously protect Utah’s red rock wilderness, the question of preserving these lands for future generations now also looms before the BLM. Not since the BLM conducted its inventories of Utah public lands in the early 1980s has the agency had such a promising opportunity to recognize and care for Utah’s wilderness. Whether the BLM realizes this opportunity has yet to be seen.

Today, nearly 6 million acres of wildlands that my legislation would protect are involved in the BLM’s land use planning process. As I understand, the BLM has begun making lasting decisions about what places should be preserved or developed, roaded or left unroaded, or designated for off-road vehicle travel. These policies will stand for as much as 15 to 20 years, a time span long enough to leave a lasting mark on this landscape.

We must be clear about the impact of these plans. Fundamentally, the administration is choosing how it will act as stewards for our wild and scenic places. The plans in Utah will profoundly influence many fragile desert lands that would be protected under America’s Red Rock Wilderness Act. Places like the San Rafael Swell, the Book Cliffs, the Canyonlands Basin, and Moab/La Sal Region now hang in the balance.

I believe Americans understand the need for wise and balanced stewardship of these wild landscapes. Unfortunately, the administration has proposed serious protection shortfalls for Utah’s most majestic places. Instead, the BLM appears to lack a solid conservation ethic and routinely favors development and consumptive uses of our wild public land.

The administration has a decidedly different approach on the fate of some of our remaining wilderness. Under the Price plan, the BLM leaves 96 percent of the region’s lands in America’s Red Rock Wilderness Act, outside of already approved gas drilling. Sadly, the Green River, which cuts deep into the rugged Book Cliffs forming the sandstone cliffs of Desolation Canyon, and other natural wonders are being jeopardized by the BLM for a negligible amount of oil.

The BLM’s misstep is most evident on Utah’s red rock cliff walls, desert, canyons and gorges which encompass the canyon country of the Colorado Plateau and windswept crag lines of the Great Basin include some of the last of our country’s wilderness, which is not fully protected.

We must ask our elected officials to reexamine this circumstance, by enacting legislation which would protect those national lands within the boundaries of Utah. This wilderness is a treasure we can lose once and a legacy we can be forever proud to bestow to our children.

I believe that the measure being introduced today will accomplish that goal. The measure protects wild lands that really are not done justice by any designation in wilderness lands for their wide and varied and distinct terrain, remarkable American resources of red rock cliff walls, desert, canyons and gorges which encompass all the parks, desert and portions of the Great Basin. The lands also include mountain ranges within Utah, and areas like the Grand Staircase-Escalante National Monument. These regions appeal to all types of American outdoor interests from hikers and sightseers to hunters.

Phil Haslanger of the Capital Times, answered an important question I am often asked when people want to know why a Senator from Wisconsin would co-sponsor legislation to protect lands in Utah. He wrote on September 13, 1995 simply that:

“Those are not scenes that you could see in Wisconsin. That’s part of what makes them special.’’

He continues, and adds what I think is an even more important reason to act to protect these lands than the landscape’s uniqueness:
the fight over wilderness lands in Utah is a test case of sorts. The anti-environmental factions in Congress are trying hard to remove restrictions on development in some of the nation's most special areas.

Ten years later, Wisconsinites are still watching this test case. I believe that Wisconsinites view the outcome of this fight to save Utah's lands as a sign of where the Nation is headed with respect to its stewardship of natural resources. What Haslinger's comments make clear is that while some in Congress may express concern about creating new wilderness in Utah, wilderness—these lands know, in fact, exist and are protected by legislation. Legislation to protect existing wilderness simply ensures that future generations may have an experience on public lands equal to that which is available today. The action of Congress to preserve wild lands by extending the protections of the Wilderness Act of 1964 will publicly codify that expectation and promise.

Finally, this legislation has earned my support because it deserves the support of others in this body, because all of the acres that will be protected under this bill are already public lands held in trust by the Federal Government for the people of the United States. Thus, while the lands physically located in Utah, their preservation is important to the citizens of Wisconsin, as it is for other Americans.

I am eager to work with my colleagues from Illinois, Mr. DURBIN, to protect these lands. I commend him for introducing this measure.

By Mr. MCCAIN (for himself, Mr. ALEXANDER, Mr. LIEBERMAN, Mr. SALAZAR, and Mrs. FEINSTEIN):

S. 886. A bill to eliminate the annual operating deficit and maintenance backlog in the national parks, and for other purposes; to the Committee on Finance.

Mr. MCCAIN. Mr. President, I am pleased to be joined today by Senators ALEXANDER, LIEBERMAN, SALAZAR, and FEINSTEIN in introducing legislation to restore and maintain our National Parks by the centennial anniversary of the National Park System in 2016.

Heralding the establishment of the first National Parks, President Theodore Roosevelt stated, "We have fallen heirs to the most glorious heritage a people ever received, and each one must do his part if we wish to show that the nation is worthy of its good fortune.

And what a priceless fortune Americans enjoy—Yellowstone, the Grand Canyon, Yosemite, the Tetons, Mt. Rushmore, the Everglades, and hundreds of other extraordinary national parks that grace our country. Hundreds of millions of families and visitors from all over the world have visited these parks for recreational, educational, and cultural opportunities as well as the sheer pleasure of being surrounded by natural beauty or historical significance.

Unfortunately, all of this public enjoyment and use coupled with the lack of adequate financial investment in our parks has left them in a state of disrepair and neglect. A multi-billion dollar maintenance backlog has cast a long shadow over the glory of our national park heritage. An annual operating deficit of $600 million has further diminished the integrity of national park programs and facilities.

The National Parks Centennial Act would allow all Americans to contribute to the restoration of the parks through the National Park Centennial Fund with monies generated by a check-off box on federal tax returns. The funds collected will be directed to the priority maintenance and operation needs of the national parks to make them physically sound by 2016. What better way or time to demonstrate that "we are worthy of the good fortune of our parks"?

I commend the National Parks Conservation Association for promoting this sound approach to remedying the significant deterioration of our parks. A companion House bill has been introduced by Representatives SOUDER and BAIRD with solid bipartisan support.

Surely this legislation that we can all agree on and support. All of our lives have been enriched by our National Parks. This bill provides an opportunity to show our appreciation to restore and maintain our country's cultural and natural heritage for generations to come. The passage of this legislation will ensure that our national parks will have a glorious 100th birthday to celebrate. Let's get on with it!

Mr. ALEXANDER. Today I am joining with Senators MCCAIN, LIEBERMAN, SALAZAR and FEINSTEIN in introducing the National Park Centennial Act—a bill to make the National Park System fiscally sound by its 100th birthday in 2016. The park system currently suffers from a multi-billion dollar backlog of maintenance projects and an operating deficit that exceeds $600 million each year.

The Centennial Act aims to remedy this crisis by giving tax-payers the opportunity to check off a box on their tax returns each year that would send a small contribution to a National Park Centennial Fund. Today, tax-payers can contribute $3 to Presidential elections. This Act gives taxpayers an opportunity to contribute directly to our national parks via their tax returns.

Our parks are national treasures, and they deserve to be preserved in all their pristine glory. They are a part of our heritage.

It is a national travesty that they are still there, in all their age, a part of who we are as Americans. We need to take care of these parks so that they are still there, in all their glory, and still accessible for many generations to come.

By Mr. SALAZAR:

S. 888. A bill to direct the Department of Homeland Security to provide oversight of the Department of State and local governments relating to sensitive homeland security information, and for other purposes; to the Committee on
Homeland Security and Governmental Affairs.

Mr. SALAZAR. Mr. President, I rise today to introduce an important piece of legislation to help our local first responders and emergency officials better prepare and respond to terrorist attacks.

State and local emergency officials represent more than 95 percent of America’s counterterrorism capability. They are on the front lines of the war on terrorism. Despite this, there is still a fundamental disconnect between what we do in Washington to help and what state and local officials actually need. Too often this happens because people in Washington are not listening to our folks back home.

One familiar example is homeland security grant funding. In the years following 9/11, the Federal Government put more money into homeland security than ever before. Office of Domestic Preparedness Grants increased 2,900 percent from 2001 to 2003. The Federal Government acted quickly to get money out the door, but in too many cases, the Feds did not give States the guidance they needed to best use that money. As a result, State officials were left scratching their heads. Money was wasted and local officials did not get all the help they needed.

The same is true with antiterrorism intelligence. Police and fire departments across the country are being bombarded with terrorism intelligence from more than a dozen Federal sources. State officials are getting expensive Federal security clearances so that they can review spy reports. But State and local officials are not getting the guidance they need to help them talk to each other.

Police, firemen, and EMTs are the first people on site during an emergency, whether it is a terrorist attack or car accident. Our first responders must make better use of information they need to safely handle any situation, the training they need to protect the public and the access to grants to purchase the proper tools to do their jobs—this legislation, if passed, will help do just that.

Right now, there are surprisingly few uniform standards for non-Federal agencies to handle sensitive homeland security information. While there are detailed procedures for handling classified documents created by the FBI, CIA and other Federal agencies, there is little real world guidance for how to make decisions about how to manage information from non-Federal sources, including locally generated homeland security plans, State-level grants and intelligence gathered by local law enforcement agencies.

This lack of guidance has real implications for public safety. Over the last few months, Colorado’s State government has been fighting over the bill a return of State homeland security information. Currently, Colorado State law makes secret a wide swath of homeland security information, including any document sent to, from, or on behalf of the State Office of Preparedness, Security and Fire Safety. Local officials have trouble acquiring State information to help them develop antiterrorism plans, and even State legislators can’t find out where homeland security money is going.

State officials across the country have wasted precious resources battling over what to make public and what to keep secret. They have established a wide array of procedures for sharing sensitive information among emergency management personnel. The current system of distributing homeland security intelligence and grants funding is inefficient and has failed to ensure an adequate balance between protecting sensitive information and ensuring that first responders and the public have the information they need to keep Coloradans and Americans safe.

The legislation I am introducing would take three steps to clearing up this confusion and giving States the tools they need to better prepare and respond to terrorist attacks.

First, it establishes detailed best practices for State and local governments to help them determine what homeland security information should be made public, what should remain classified, and how different government entities and emergency personnel can share and use sensitive information.

Second, it establishes a training program to spread these best practices among state and local officials.

Third, it directs the Department of Homeland Security to provide more detailed instructions to State and local officials about how to manage information about homeland security grants that are applied for and awarded by DHS.

This bill will give emergency officials across the country the tools they need so that they do not have to waste precious resources remaking the wheel on homeland security information sharing.

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:

SEC. 1. SHORT TITLE.

This Act may be cited as the “Homeland Security Information Guidance and Training Act of 2005”.

SEC. 2. FINDINGS.

Congress finds that—

(1) there are few uniform standards for State and local government agencies to handle sensitive homeland security information;

(2) there are detailed procedures for handling classified documents created by the Federal Government, but there is little guidance for how to make decisions relating to the management of information from non-Federal sources, including locally generated homeland security plans, State-level grants, and intelligence gathered by local law enforcement agencies;

(3) State and local government officials have—

(A) a wide variety of approaches for handling such information;

(B) wasted precious resources battling over what information to make public and what information to keep secret; and

(C) established a wide array of procedures for sharing sensitive information among emergency management personnel; and

(4) the current system is inefficient and has not ensured the adequate balance between protecting sensitive information and ensuring that public officials and the public have the information needed to keep the Nation safe.

SEC. 3. GUIDANCE FOR BEST PRACTICES RELATING TO SENSITIVE INFORMATION.

(a) IN GENERAL.—Consistent with section 201(d) of the Homeland Security Act of 2002 (6 U.S.C. 121(d)), the Under Secretary of Homeland Security for Information Analysis and Infrastructure Protection shall establish best practices for State and local governments to assist State and local governments in making determinations on—

(1) the types of sensitive non-Federal homeland security information (including locally generated homeland security plans, State-level grants, and intelligence gathered by local law enforcement information agencies) that—

(A) should be made available to the public;

(B) should be treated as information which should not be made available to the public; and

(C) should be shared among State and local governments;

(b) EFFECT ON STATE AND LOCAL GOVERNMENTS.—Nothing under subsection (a) shall be construed to—

(1) require any State or local government to comply with any best practice established under that subsection; or

(2) preempt any State or local law.

SEC. 4. TRAINING.

The Director of the Office for Domestic Preparedness shall—

(1) establish a training curriculum based on the best practices established under section 3; and

(2) provide training to State and local governments using that curriculum.

SEC. 5. GUIDANCE ONGovINFORMATION.

Not later than 180 days after the date of enactment of this Act, the Secretary of Homeland Security shall publish in the Federal Register detailed instructions for State and local governments on the management of information relating to homeland security grants administered by the Department of Homeland Security.

By Mrs. FEINSTEIN (for herself, Ms. SNOWE, Mr. CORZINE, Mr. LEAHY, Mr. JEFFORDS, Mr. SCHUMER, Ms. COLLINS, Mr. DURBIN, and Ms. CANTWELL):

S. 888. A bill to amend title 49, United States Code, to require phased increases in the fuel efficiency standards applicable to light trucks, to require fuel economy standards for automobiles up to 10,000 pounds gross vehicle weight, to increase the fuel economy standards for the Periodic Fuel Economy Test, and for other purposes; to the Committee on Commerce, Science, and Transportation.

S. 4132

CONGRESSIONAL RECORD — SENATE

April 21, 2005

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

SECTION 1. SHORT TITLE.

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By Mrs. FEINSTEIN (for herself, Ms. SNOWE, Mr. CORZINE, Mr. LEAHY, Mr. JEFFORDS, Mr. SCHUMER, Ms. COLLINS, Mr. DURBIN, and Ms. CANTWELL):
Mrs. FEINSTEIN. Mr. President, I rise today to offer a bill with my colleagues Senators SNOWE, CORZINE, LEAHY, CANTWELL, COLLINS, DURBIN, SCHUMER and JEFFORDS to close the SUV loophole.

This bill would increase Corporate Average Fuel Economy (CAFE) standards for SUVs and other light duty trucks. It would close the “SUV Loop-hole” and require that SUVs meet the same fuel efficiency standards as passenger cars by 2011.

Crude oil prices remain above $50/barrel. On April 1, 2005, crude oil prices hit a record high of $57.70/barrel. Prices at the gas pump continue to soar as well. Today, the average price for regular gasoline was $2.24 per gallon. In California, the average price is almost $2.60.

This is not a problem we can drill our way out of. Global oil demand is rising. China imports more than 40 percent of its one million-barrel-per-day oil demand and its consumption is growing at 7.5 percent per year, seven times faster than the U.S. India imports approximately 70 percent of its oil, which is projected to rise to more than 90 percent by 2020. The world is running out of oil—a tude that is fueling their growing dependence on oil—which makes continued higher prices inevitable.

The most effective step we can take to reduce gas prices is to reduce demands. We must use our finite fuel supplies more wisely.

This legislation is an important first step to limit our nation’s dependence on oil and better protect our environment.

If implemented, closing the SUV Loophole would: save the U.S. 1 million barrels of oil a day and reduce our dependence on oil imports by 10 percent. Prevent about 240 million tons of carbon dioxide—the top greenhouse gas and biggest single cause of global warming from entering the atmosphere each year.

Save SUV and light duty truck owners hundreds of dollars each year in gasoline costs.

CAFE Standards were first established in 1975. At that time, light trucks made up only a small percentage of the vehicles on the road, they were used mostly for agriculture and commerce, not as passenger cars.

Today, light trucks look much different. SUVs and light duty trucks comprise more than half of the new car sales in the United States. As a result, the overall fuel economy of our Nation’s fleet is the lowest it has been in two decades, because fuel economy standards for these vehicles are so much lower than they are for other passenger vehicles.

The bill we are introducing today would change that. SUVs and other light duty trucks would have to meet the same fuel economy requirements as cars by 2011 that passenger cars meet today.

The National Highway Traffic Safety Administration, NHTSA, has proposed phasing in an increase in fuel economy standards for SUVs and light trucks under the following schedule: by 2006, SUVs and light trucks would have to average 21.0 miles per gallon; by 2006, SUVs and light trucks would have to average 21.6 miles per gallon; and by 2007, SUVs and light trucks would have to average 22.2 miles per gallon.

In 2002, the National Academy of Sciences, NAS, released a report stating that adequate lead time can bring about substantive increases in fuel economy. Automakers can meet higher CAFE standards if existing technologies are utilized and included in new models of SUVs and light trucks.

In 2003, the head of the National Highway Traffic Safety Administration said he favored an increase in vehicle fuel economy standards beyond the 1.5-mile-per-gallon hike slated to go into effect by 2007. “We can do better,” said Jeffrey Runge in an interview with Congressional Green Sheets. “The overriding goal here is better fuel economy to decrease our reliance on foreign oil without compromising safety or American jobs,” he said.

With this in mind, we have developed the following phased in schedule which would follow up on what NHTSA has proposed for the short term and remain consistent with what the NAS report said is technologically feasible over the next decade or so: by model year 2008, SUVs and light duty trucks would have to average 23.5 miles per gallon; by model year 2009, SUVs and light duty vehicles would have to average 24.8 miles per gallon; by model year 2010, SUVs and light duty vehicles would have to average 26.1 miles per gallon. By model year 2011, SUVs and light duty vehicles would have to average 27.5 miles per gallon.

This legislation would do two other things: it would mandate that by 2008 SUVs and light duty trucks must meet higher CAFE standards if existing technologies are utilized and included in new models of SUVs and light trucks.

S. 889, the “Automobile Fuel Economy Act of 2005”.

Glaciers are disappearing in Glacier National Park in Montana. In 100 years the park has gone from having 150 glaciers to fewer than 30. And the 30 that remain are two-thirds smaller than they once were.

Beyond our borders, scientists are predicting how the impact of global warming will be felt around the globe.

It has been estimated that two-thirds of the glaciers in western China will melt by 2050, seriously diminishing the water supply for the region’s 300 million inhabitants. Additionally, the disappearance of glaciers in the Andes in Peru is projected to leave the population without an adequate water supply during the summer.

The United States is the largest energy consumer in the world, with 4 percent of the world’s population using 25 percent of the planet’s energy.

And much of this energy is used in cars and light trucks: 43 percent of the oil we use goes into our vehicles and one-third of all carbon dioxide emissions come from our transportation sector.

The U.S. is falling behind the rest of the world in the development of more fuel efficient vehicles. Quarterly auto sales reflect that consumers are buying smaller more fuel efficient cars and sales and sales of the big, luxury vehicles that are the preferred vehicle of the American automakers have dropped significantly.

Even SUV sales have slowed. First quarter 2005 deliveries of these vehicles are down compared to the same period last year—for example, sales of the Ford Excursion is down by 29.5 percent, the Cadillac Escalade by 19.9 percent, and the Toyota Sequoia by 12.6 percent.

On the other hand, the Toyota Prius hybrid had record sales in March with a 160.9 percent increase over the previous year.

The struggling U.S. auto market cannot afford to fall behind in the development of fuel efficient vehicles. Our bill sets out a reasonable time frame for car manufacturers to design vehicles that are more fuel efficient and that will meet the growing demand for more fuel efficient vehicles.

This legislation would do two other things: it would mandate that by 2008 SUVs and light duty trucks must meet higher CAFE standards if existing technologies are utilized and included in new models of SUVs and light trucks.

S. 889, the “Automobile Fuel Economy Act of 2005”.

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 “Automobile Fuel Economy Act of 2005”.

We have already seen the potential destruction that global warming can cause in this country.
SEC. 2. INCREASED AVERAGE FUEL ECONOMY STANDARD FOR LIGHT TRUCKS.

(a) DEFINITION OF LIGHT TRUCK.—Section 32901(a) of title 49, United States Code, is amended—

(1) in each of paragraphs (1) through (14), by striking the period at the end and inserting a colon; and

(2) in paragraph (15), by striking the period at the end and inserting: "and";

(b) REQUIREMENT FOR INCREASED STANDARD.—Section 32902(a) of title 49, United States Code, is amended—

(1) by inserting "(1)" after "AUTOMOBILES—

"(2) by striking "the Secretory and inserting "Subject to paragraph (2), the Secretary;

(3) by adding the following:

"(2) The average fuel economy standard for light trucks manufactured by a manufacturer may not be less than 27.5 miles per gallon, except that the average fuel economy standard for light trucks manufactured by a manufacturer in a model year before model year 2009 and—

(A) after model year 2008 may not be less than 23.5 miles per gallon;

(B) after model year 2009 may not be less than 24.8 miles per gallon; and

(C) after model year 2010 may not be less than 26.1 miles per gallon.

(c) EFFECTIVE DATE.—Section 32902(a)(2) of title 49, United States Code, as added by subsection (b)(3), shall not apply with respect to light trucks manufactured before model year 2009.

SEC. 3. FUEL ECONOMY STANDARDS FOR AUTOMOBILES UP TO 10,000 POUNDS GROSS VEHICLE WEIGHT.

(a) VEHICLES DEFINED AS AUTOMOBILES.—Section 32901(a)(3) of title 49, United States Code, is amended by striking rated at— and all that follows and inserting rated at not more than 10,000 pounds gross vehicle weight.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2011.

SEC. 4. FUEL ECONOMY OF THE FEDERAL FLEET OF VEHICLES.

(a) DEFINITIONS.—In this section—

(1) the term "class of vehicles" means a class of vehicles for which an average fuel economy standard is in effect under chapter 329 of title 49, United States Code;

(2) the term "executive agency" has the meaning given the term in section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)); and

(3) the term "new vehicle", with respect to the fleet of vehicles of an executive agency, means a vehicle procured by or for the agency after September 30, 2007.

(b) BASELINE AVERAGE FUEL ECONOMY.—The head of each executive agency shall determine the average fuel economy for all of the vehicles in each class of vehicles in the agency’s fleet of vehicles in fiscal year 2006.

(c) AVERAGING PERIOD.—The head of each executive agency shall manage the procurement of vehicles in each class of vehicles for that agency to ensure that—

(1) not later than September 30, 2008, the average fuel economy of the new vehicles in the agency’s fleet of vehicles in each class of vehicles is not less than 3 miles per gallon higher than the baseline average fuel economy determined for that class; and

(2) not later than September 30, 2011, the average fuel economy of the new vehicles in the agency’s fleet of vehicles in each class of vehicles is not less than 6 miles per gallon higher than the baseline average fuel economy determined for that class.

(d) CALCULATION OF AVERAGE FUEL ECONOMY.—For purposes of this section—

(1) average fuel economy shall be calculated in accordance with guidance prescribed by the Secretary of Transportation for the implementation of this section; and

(2) average fuel economy calculated under subsection (b) for an agency’s vehicles in a class of vehicles shall be the baseline average fuel economy for the agency’s fleet of vehicles in that class.

Ms. SNOWE. Mr. President, I rise today to join my esteemed colleague, Senator FEINSTEIN as the lead cosponsor for the Feinstein-Snowe legislation that will rectify an unacceptable in-...
safety and a minimal impact on our environment. As the 2001 NAS Report also stated, “Because of the concerns about greenhouse gas emissions and the level of oil imports, it is appropriate for the Federal Government to ensure fuel economy levels beyond those expected to result from market forces alone.” How can we do anything less?

So many questions that we already have the answers to but not the initiative or will to do so. Closing the SUV loophole will help us achieve my goals, and it’s an idea whose time has long since arrived.

I ask for my colleagues’ support for closing the SUV loophole, and I thank the Chair.

TEXT OF AMENDMENTS

SA 564. Mr. CRAIG (for himself and Mr. AKAKA) proposed an amendment to the bill H.R. 1268, Making emergency supplemental appropriations for the fiscal year ending September 30, 2005, to establish and rapidly implement regulations for State driver’s license and identification document security standards, to prevent terrorists from abusing the asylum laws of the United States, to unify terrorism-related grounds for inadmissibility, to ensure expedited construction of the San Diego border fence, and for other purposes.

SA 565. Mr. STEVENS (for Mr. DeWine) submitted an amendment intended to be proposed by Mr. Stevens to the bill H.R. 1268, supra.

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AMENDMENTS SUBMITTED AND PROPOSED

SA 564. Mr. CRAIG (for himself and Mr. AKAKA) proposed an amendment to the bill