State agencies or public health organizations, carry out a program to provide grants and other incentives, including technical assistance to eligible entities for the purpose described in subsection (b).

(b) PURPOSE.—A grant or other incentive provided under this section shall be used to promote the development of data linkage systems described in subsection (e).

(c) ELIGIBLE ENTITY.—In this section, the term ''eligible entity'' means an academic, public health, or transportation safety organization or a State or local government agency that the Administrator determines is appropriate to receive a grant or incentive under this section.

(d) APPLICATION AND AWARD PROCESS.—

(1) APPLICATIONS.—Each eligible entity seeking a grant under this section shall submit an application to the Administrator at such time and in such manner as the Administrator may require.

(2) AWARDS.—Not later than 180 days after the date of the enactment of this Act, the Administrator shall establish—

(A) the criteria for awarding a grant or incentive under this section; and

(B) a competitive, merit-based process to select applications to receive a grant or incentive under this section.

(3) PUBLICATION.—Not later than 180 days after the date of the enactment of this Act, the Administrator shall publish in the Federal Register the criteria and process described in paragraph (2).

(e) PROGRAM STRUCTURE.—The data linkage systems eligible to receive assistance under this section are systems that use the following sources:

(1) State and local vital statistics databases, including birth, infant, and death records.

(2) State and local crash and driver's license records.

(3) Other computerized health records as available, including emergency medical services reports and hospital and emergency room admission and discharge records.

(f) EXISTING DATA SYSTEMS.—To the maximum extent possible, the Administrator shall integrate the grant and incentive program carried out under this section with the existing State specific Crash Outcome Data Evaluation Systems carried out by the Administrator to utilize the capabilities, linkage expertise, and organizational relationships of such Systems to provide a foundation for improving the tracking of adverse health effects and birth outcomes for pregnant women who are occupants of a motor vehicle at the time of a crash and their unborn children.

(g) DATA SECURITY AND PRIVACY.—In carrying out this section, the Administrator and any eligible entity selected to receive a grant or incentive under this section for a data linkage system shall ensure that personal identifiers and other information utilized in that data linkage system related to a specific individual is handled in a manner consistent with all applicable Federal, State, and local laws and regulations and to ensure the confidentiality of such information, and in the manner necessary to prevent the theft, manipulation, or other unlawful or unauthorized use of personal information contained in data sources used for linkage studies.

(h) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated $2,500,000 for each of the fiscal years 2007, 2008, 2009, and 2010 to carry out this section.

(2) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in paragraph (1) shall remain available until expended.

SEC. 6. SAFETY RESEARCH PROGRAM AND NATIONAL CONFERENCE.

(a) SAFETY RESEARCH PROGRAM.—

(1) REQUIREMENT TO CONDUCT.—The Administrator shall conduct a research program as described in this section to promote the health and safety of pregnant women who are involved in motor vehicle crashes and of their unborn children.

(2) HIGH PRIORITY RESEARCH AREAS.—In carrying out the research program under this section, the Administrator shall place a high priority on conducting research to—

(A) investigate methods to maximize the injury prevention performance of standard 3-point safety belts for pregnant women during all stages of pregnancy;

(B) analyze the effectiveness of technologies designed to modify or extend the safety performance of 3-point safety belts for pregnant women across a range of pregnancy phases, including technologies currently available in the marketplace;

(C) develop biofidelic, anthropometric test devices that are representative of pregnant women during all stages of pregnancy; and

(D) develop biofidelic, computer models that are representative of pregnant women during all stages of pregnancy to aid in understanding crash forces relevant to the safety of pregnant women and unborn children that may include the utilization of existing modeling systems developed by private and academic institutions, if appropriate.

(b) NATIONAL CONFERENCE.—

(1) REQUIREMENT TO CONVENE.—Not later than 18 months after the date of the enactment of this Act, the Administrator, in consultation with the heads of other appropriate Federal agencies, shall convene a national research conference for the purpose of identifying critical scientific issues for research on the safety of pregnant women involved in motor vehicle crashes and their unborn children.

(2) PURPOSE OF THE CONFERENCE.—The purpose of the conference required by paragraph (1) shall be to establish and prioritize a list of research questions to guide future research related to the safety of pregnant women involved in motor vehicle crashes and their unborn children.

(3) AUTHORITY TO PARTNER WITH OTHER ORGANIZATIONS.—The Administrator is authorized to carry out the conference required by paragraph (1) in a partnership with organizations recognized for expertise related to the research described in paragraph (2).

(c) REPORT REQUIRED.—Not later than 2 years after the date of the enactment of this Act, the Administrator shall submit to the appropriate congressional committees a report that describes—

(1) the research program carried out by the Administration pursuant to subsection (a), including any findings or conclusions associated with such research program; and

(2) the priorities established at the national conference required by subsection (b), plans for regulations or future programs, or factors limiting the effectiveness of such research.

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—For each of the fiscal years 2007, 2008, and 2009, there are authorized to be appropriated such sums as necessary to carry out this section.

(2) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in paragraph (1) shall remain available until expended.

SEC. 7. PUBLIC OUTREACH AND EDUCATION.

(a) IN GENERAL.—The Administrator shall conduct a public outreach and education program to increase awareness of the unique safety risks associated with motor vehicle crashes for pregnant women and the unborn children of such women and of the methods available to reduce such risks. Such program shall include making information regarding the injury-prevention value of proper safety belt and airbag use available to the public.

(b) TARGETED OUTREACH.—The Administrator shall carry out the program described in subsection (a) in a manner that utilizes media and organizational partners to effectively educate pregnant women, ensure an overall educational impact, and efficiently utilize the program's resources.

(c) PROGRAM INITIATION AND DURATION.—The Administrator shall initiate the program described in subsection (a) not later than 12 months after the date of the enactment of this Act, and shall maintain such program for not less than 24 months, subject to the availability of funds.

SEC. 8. INCLUSION OF SAFETY DATA IN ANNUAL ASSESSMENT.

(a) IN GENERAL.—Subject to subsection (b), the Administrator shall include a discussion of data regarding the safety of pregnant women who are involved in motor vehicle crashes and of their unborn children, including any relevant trends in such data, in each of the Annual Assessment of Motor Vehicle Crashes published by the National Center for Statistics and Analysis of the National Highway Traffic Safety Administration or an equivalent publication of such Center.

(b) REPORT TO CONGRESS.—If the Administrator determines that including the information described in subsection (a) in the Annual Assessment of Motor Vehicle Crashes or an equivalent publication is not feasible, the Administrator shall submit a report to the appropriate congressional committees not later than 60 days after the date of the release of such Annual Assessment or equivalent publication that states the reasons that it was not feasible to include such information and an analysis of the steps necessary to make such information available in the future.

By Mr. CRAPO (for himself, Mrs. LINCOLN, Mr. GRASSLEY, Mr. BAUCUS, and Mr. ALLARD).

S. 4087. A bill to amend the Internal Revenue Code to provide a tax credit to individuals who enter into agreements to protect the habitats of endangered and threatened species, and for other purposes; to the Committee on Finance.

Mr. CRAPO. Mr. President, I rise today with my colleagues—Senator LINCOLN from Arkansas, Senator CHARLES GRASSLEY from Iowa, and Senator MAX BAUCUS from Montana—to introduce the Endangered Species Recovery Act or ESRA. Nearly a year ago, Senator LINCOLN and I introduced the Collaboration for the Recovery of the Endangered Species Act, or CRESA, an earlier bill to amend the Endangered Species Act or ESA. This new bill, which does not amend the current ESA, builds on ideas set forth in CRESA. It creates new policies that finance the recovery of endangered species by private landowners. ESRA makes it simpler for landowners to get involved in conservation and reduces the conflict often emanating from the ESA. It will be an important codification of much-needed incentives to help recover endangered species.

Over 80 percent of endangered species live on private property. Under the current law, however, there are too few incentives and too many obstacles for

private landowners to participate in conservation agreements to help recover species under the ESA. ESRA, like the voluntary farm bill conservation programs that inspired its creation, will make it more attractive for private landowners to contribute to the recovery of species under the ESA.

This bill resulted from effective and inclusive collaboration among key stakeholders most affected by the implementation of the ESA. Landowner interests include farmers, ranchers, and those from the natural resource-using communities. For example, some current supporters of ESRA who contributed invaluable advice are the American Farm Bureau, the National Cattlemen's Beef Association, and the Society of American Foresters. This could not rightly be called a collaborative project without the vital and necessary input received from the Defenders of Wildlife, Environmental Defense and the National Wildlife Federation—key environmental groups that made significant contributions. And they further understand that landowners must be treated as allies to ensure success in the long-run for the conservation of habitat and species. Finally, while the genesis of this bill has many roots, a passionate catalyst was James Cummins of Mississippi Fish and Wildlife Foundation, whose passion for the outdoors provided inspiration to move these ideas forward.

This collaborative expertise worked together to craft the ESRA, which provides new tax incentives for private landowners who voluntarily contribute to the recovery of endangered species. The tax credits will reimburse landowners for property rights affected by agreements that include conservation easements and costs incurred by species management plans. For landowners who limit their property rights through conservation easements, there will be 100 percent compensation of all costs. That percentage declines to 75 percent for 30-year easements and 50 percent for cost-share agreements not encumbered by an easement.

It is worth noting that this is the same formula that works successfully for farm bill programs such as the Wetlands Reserve Program. Private property owners are appropriately rewarded for crucial ecological services that they provide with their property. The public benefits from those actions which ensure biodiversity; instead of placing the financial burdens on the landowner, we ought to find appropriate ways to compensate them. While the primary returns from this investment are protection and recovery of endangered species, the public will also undoubtedly gain additional benefits such as aesthetically pleasing open space, combating invasive species and enhanced water quality.

The legislation provides a list of options that give landowners a choice, and this is a crucial element for the success of this proposal. For some landowners, a conservation easement will be the most attractive option. Easements are flexible tools that can be tailored to each landowner and species' interests. An easement restricts certain activities, but it still works well with traditional rural activities such as ranching and farming. For agreements without easements, there is flexibility to do what is necessary for the concerned species without the need to sacrifice property rights into perpetuity.

The tax credits provide essential funding that is necessary to respect private property rights. Wildlife should be an asset rather than a liability; which is how it has sometimes been viewed under the ESA. With wildlife becoming valuable to a landowner, those who may been reluctant to participate in recovery efforts in the past will be more likely to contribute with these incentives. When people want to take part in the process and do not fear it, the likelihood of conflict and litigation is reduced. For years, this type of conflict has proven costly not only in dollars to individuals and the government, but also in terms of relationships between people who share the land and natural resources. With a new trust and new model for finding conservation solutions, we can do more and better conservation work.

Provisions have been made to accommodate landowners whose taxes may be less than the tax credit provides. Partnerships in the agreements will allow any party to an agreement to receive a credit as long as they pay or incur costs as a result of the agreement. This language will allow creative collaboration among governments, landowners, taxpayers and environmentalists, further increasing the number of people involved in finding new solutions for conservation.

Furthermore, this bill also expands tax deductions for any landowner who takes part in the recovery plans approved under the ESA, and allows landowners to exclude from taxable income certain federal payments under conservation costshare programs. This will allow both individuals and businesses to deduct the cost of recovery work without bureaucratic obstacles.

This bill not only sets forth the financing for private landowners, but it also makes it easier to implement the agreements. Landowners will receive technical assistance to implement the agreements. Also, to remove some legal disincentives to recover species, liability protection may be provided to protect the landowners from penalties under the ESA. This removes the fear of trying to help species; currently, more species usually just means more liability for a landowner.

As a result of these incentives, I expect to see a phenomenal increase in the number of success stories. These stories will sound familiar to those creative collaborators working on the ground now where we have learned that the types of tools provided in this bill can work if consistently offered.

The Endangered Species Recovery Act is very exciting to those of us who value protecting our natural resources. It provides collaborative, creative ways to balance resource conservation with economic uses of our natural resources and preserving rural ways of life. I look forward to working with my colleagues in the Senate and House to move ahead with this legislation which will allow better, more effective conservation work for future generations.

I am deeply grateful to my colleagues from Arkansas, Iowa and Montana for their essential expertise and support to create ESRA. I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 4087

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 ''Endangered Species Recovery Act of 2006''.

SEC. 2. ENDANGERED SPECIES RECOVERY CREDIT.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 30D. ENDANGERED SPECIES RECOVERY CREDIT.

''(a) IN GENERAL.—In the case of an eligible taxpayer, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

''(1) the habitat protection easement credit, plus

''(2) the habitat restoration credit.

''(b) LIMITATION.—

''(1) IN GENERAL.—The credit allowed under subsection (a) for any eligible taxpayer for any taxable year shall not exceed the endangered species recovery credit limitation allocated to the eligible taxpayer under subsection (f) for the calendar year in which the taxpayer's taxable year ends.

''(2) CARRYFORWARDS.—

''(A) IN GENERAL.—If the amount of the credit allowable under subsection (a) for any taxpayer for any taxable year exceeds the endangered species recovery credit limitation allocated under subsection (f) to such taxpayer for the calendar year in which the taxpayer's taxable year ends, such excess may be carried forward to the next taxable year for which such taxpayer is allocated a portion of the endangered species recovery credit limitation.

''(B) CARRYFORWARD OF ALLOCATION AMOUNT.—If the amount of the endangered species recovery credit limitation allocated to an eligible taxpayer for any calendar year under subsection (f) exceeds the amount of the credit allowed to the taxpayer under subsection (a) for the taxable year ending in such calendar year, such excess may be carried forward to the next taxable year of the taxpayer. For purposes of this paragraph, any amount carried to another taxable year under this subparagraph shall be treated as allocated to the taxpayer for use in such taxable year under subsection (f).

''(c) ELIGIBLE TAXPAYER.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible taxpayer' means—

''(A) a taxpayer who—

''(i) owns real property which contains the habitat of a qualified species, and

''(ii) enters into a qualified perpetual habitat protection agreement, a qualified 30-year habitat protection agreement, or a qualified habitat protection agreement with the appropriate Secretary with respect to such real property, and

''(B) any other taxpayer who—

''(i) is a party to a qualified perpetual habitat protection agreement, a qualified 30-year habitat protection agreement, or a qualified habitat protection agreement, and

''(ii) as part of any such agreement, agrees to assume responsibility for costs paid or incurred in protecting or preserving the habitat which is the subject of such agreement.

''(2) QUALIFIED PERPETUAL HABITAT PROTECTION AGREEMENT.—The term 'qualified perpetual habitat protection agreement' means an agreement—

''(A) under which the taxpayer grants to the appropriate Secretary, the Secretary of Agriculture, or a State an easement in perpetuity for the protection of the habitat of a qualified species, and

''(B) which meets the requirements of paragraph (5).

''(3) QUALIFIED 30-YEAR HABITAT PROTECTION AGREEMENT.—The term 'qualified 30-year habitat protection agreement' means an agreement—

''(A) under which the taxpayer grants to the appropriate Secretary, the Secretary of Agriculture, or a State an easement for a period of not less than 30 years and less than perpetuity for the protection of the habitat of a qualified species, and

''(B) which meets the requirements of paragraph (5).

''(4) QUALIFIED HABITAT PROTECTION AGREEMENT.—The term 'qualified habitat protection agreement' means an agreement—

''(A) under which the taxpayer enters into an agreement with the appropriate Secretary, the Secretary of Agriculture, or a State to protect the habitat of a qualified species for a specified period of time, and

''(B) which meets the requirements of paragraph (5).

''(5) REQUIREMENTS.—An agreement meets the requirements of this paragraph if—

''(A) the agreement is not inconsistent with any recovery plan which has been approved for a qualified species under section 4 of the Endangered Species Act of 1973,

''(B) the appropriate Secretary and the eligible taxpayer enter into a habitat management plan designed to—

''(i) restore or enhance the habitat of a qualified species, or

''(ii) reduce threats to a qualified species through the management of the habitat, and

''(C) the appropriate Secretary ensures that the eligible taxpayer is provided with technical assistance in carrying out the duties of the taxpayer under the terms of the agreement.

''(d) HABITAT PROTECTION EASEMENT CREDIT.—

''(1) IN GENERAL.—For purposes of subsection (a)(1), the habitat protection easement credit for any taxable year is an amount equal to—

''(A) in the case of an eligible taxpayer who has entered into a qualified perpetual habitat protection agreement during such taxable year, 100 percent of the excess (if any) of—

''(i) the fair market value of the real property with respect to which the qualified perpetual habitat protection agreement is made, determined on the day before such agreement is entered into, over

''(ii) the fair market value of such property, determined on the day after such agreement is entered into,

''(B) in the case of an eligible taxpayer who has entered into a qualified 30-year habitat protection agreement during such taxable year, 75 percent of such excess, and

''(C) in the case of any other eligible taxpayer, zero.

''(2) REDUCTION FOR AMOUNT RECEIVED FOR EASEMENT.—The credit allowed under subsection (a)(1) shall be reduced by any amount received by the taxpayer in connection with the easement.

''(3) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a)(1) for any taxable year shall not exceed the sum of—

''(A) the taxpayer's regular tax liability for the taxable year reduced by the sum of the credits allowable under subpart A and sections 27, 30, 30B, and 30C, and

''(B) the tax imposed by section 55(a) for the taxable year.

''(4) CARRYFORWARD OF UNUSED CREDIT.—If the credit allowable under subsection (a)(1) for any taxable year exceeds the limitation imposed by paragraph (3) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a)(1) for such succeeding taxable year.

''(5) QUALIFIED APPRAISALS REQUIRED.—No amount shall be taken into account under this subsection unless the eligible taxpayer includes with the taxpayer's return for the taxable year a qualified appraisal (within the meaning of section 170(f)(11)(E)) of the real property.

''(e) HABITAT RESTORATION CREDIT.—

''(1) IN GENERAL.—For purposes of subsection (a)(2), the habitat restoration credit for any taxable year shall be an amount equal to—

''(A) in the case of a qualified perpetual habitat protection agreement, 100 percent of the costs paid or incurred by an eligible taxpayer during such taxable year pursuant to such agreement,

''(B) in the case of a qualified 30-year habitat protection agreement, 75 percent of the costs paid or incurred by an eligible taxpayer during such taxable year pursuant to such agreement, and

''(C) in the case of a qualified habitat protection agreement, 50 percent of the costs paid or incurred by an eligible taxpayer during such taxable year pursuant to such agreement.

''(2) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a)(2) for any taxable year shall not exceed the excess (if any) of—

''(A) the regular tax liability for the taxable year reduced by the sum of the credits allowable under subpart A and sections 27, 30, 30B, and 30C, over

''(B) the tentative minimum tax for the taxable year.

''(3) CARRYFORWARD OF UNUSED CREDIT.—If the credit allowable under subsection (a)(2) for any taxable year exceeds the limitation imposed by paragraph (2) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a)(2) for such succeeding taxable year.

''(4) SPECIAL RULES.—

''(A) CERTAIN COSTS NOT INCLUDED.—No credit shall be allowed under subsection (a)(2) for any cost which is paid or incurred by a taxpayer to comply with any requirement of a Federal, State, or local government.

''(B) SUBSIDIZED FINANCING.—For purposes of paragraph (1), the amount of costs paid or incurred by an eligible taxpayer pursuant to any agreement described in subsection (c) shall be reduced by the amount of any financing provided under any Federal or State program a principal purpose of which is to subsidize financing for the conservation of the habitat of a qualified species.

''(f) ENDANGERED SPECIES RECOVERY CREDIT LIMITATION.—

''(1) IN GENERAL.—There is an endangered species recovery credit limitation for each calendar year. Such limitation is —

''(A) for 2007, 2008, 2009, 2010, and 2011—

''(i) $300,000,000 with respect to qualified perpetual habitat protection agreements,

''(ii) $60,000,000 with respect to qualified 30-year habitat protection agreements, and

''(iii) $40,000,000 with respect to qualified habitat protection agreements, and

''(B) except as provided in paragraph (3), zero thereafter.

''(2) ALLOCATION OF LIMITATION.—

''(A) IN GENERAL.—The Secretary, in consultation with the Secretary of the Interior and the Secretary of Commerce, shall allocate the endangered species recovery credit limitation to eligible taxpayers.

''(B) CONSIDERATIONS.—In making allocations to eligible taxpayers under this section, priority shall be given to taxpayers with agreements—

''(i) relating to habitats that will significantly increase the likelihood of recovering and delisting a species as an endangered species or a threatened species (as defined under section 2 of the Endangered Species Act of 1973),

''(ii) that are cost-effective and maximize the benefits to a qualified species per dollar expended,

''(iii) relating to habitats of species which have a federally approved recovery plan pursuant to section 4 of the Endangered Species Act of 1973,

''(iv) relating to habitats with the potential to contribute significantly to the improvement of the status of a qualified species,

''(v) relating to habitats with the potential to contribute significantly to the eradication or control of invasive species that are imperiling a qualified species,

''(vi) with habitat management plans that will manage multiple qualified species,

''(vii) with habitat management plans that will create adjacent or proximate habitat for the recovery of a qualified species,

''(viii) relating to habitats for qualified species with an urgent need for protection,

''(ix) with habitat management plans that assist in preventing the listing of a species as endangered or threatened under the Endangered Species Act of 1973 or a similar State law,

''(x) with habitat management plans that may resolve conflicts between the protection of qualified species and otherwise lawful human activities, and

''(xi) with habitat management plans that may resolve conflicts between the protection of a qualified species and military training or other military operations.

''(3) CARRYOVER OF UNUSED LIMITATION.—If for any calendar year the limitation under paragraph (1) (after the application of this paragraph) exceeds the amount allocated to all eligible taxpayers for such calendar year, the limitation amount for the following calendar year shall be increased by the amount of such excess.

''(g) OTHER DEFINITIONS AND SPECIAL RULES.—

''(1) APPROPRIATE SECRETARY.—The term 'appropriate Secretary' has the meaning given to the term 'Secretary' under section 3(15) of the Endangered Species Act of 1973.

''(2) HABITAT MANAGEMENT PLAN.—The term 'habitat management plan' means, with respect to any habitat, a plan which—

''(A) identifies one or more qualified species to which the plan applies,

''(B) describes the management practices to be undertaken by the taxpayer,

''(C) describes the technical assistance to be provided to the taxpayer and identifies the entity that will provide such assistance,

''(D) provides a schedule of deadlines for undertaking such management practices, and

''(E) requires monitoring of the management practices and the status of the qualified species.

''(3) QUALIFIED SPECIES.—The term 'qualified species' means—

''(A) any species listed as an endangered species or threatened species under the Endangered Species Act of 1973, or

''(B) any species for which a finding has been made under section 4(b)(3) of Endangered Species Act of 1973 that listing under such Act may be warranted.

''(4) TAKING.—The term 'taking' has the meaning given to such term under the Endangered Species Act of 1973.

''(5) REDUCTION IN BASIS.—For purposes of this subtitle, the basis of any property for which a credit is allowable under subsection (a)(1) shall be reduced by the amount of the credit so allowed.

''(6) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under this chapter for any amount with respect to which a credit is allowed under subsection (a).

''(7) CERTIFICATION.—No credit shall be allowed under subsection (a) unless the appropriate Secretary certifies that any agreement described in subsection (c) which is entered into by an eligible taxpayer will contribute to the recovery of a qualified species.

''(8) REQUEST FOR AUTHORIZATION OF INCIDENTAL TAKINGS.—The Secretary shall request the appropriate Secretary to consider whether to authorize under the Endangered Species Act of 1973 takings by an eligible taxpayer of a qualified species to which an agreement described in subsection (c) relates if the takings are incidental to—

''(A) the restoration, enhancement, or management of the habitat pursuant to the habitat management plan under the agreement, or

''(B) the use of the property to which the agreement pertains at any time after the expiration of the easement or the specified period described in subsection (c)(4)(A), but only if such use will leave the qualified species at least as well off on the property as it was before the agreement was made.

''(9) RECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit under any credit allowable under subsection (a) if the Secretary, in consultation with the appropriate Secretary, determines that the eligible taxpayer has failed to carry out the duties of the taxpayer under the terms of a qualified perpetual habitat protection agreement, a qualified 30-year habitat protection agreement, or a qualified habitat protection agreement.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1016(a) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of paragraph (36), by striking the period at the end of paragraph (37) and inserting '', and'', and by inserting after paragraph (37) the following new paragraph:

''(38) to the extent provided in section 30D(g)(5).''.

(2) The table of sections for subpart B of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 30C the following new item:

''Sec. 30D. Endangered species recovery credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 3. DEDUCTION FOR ENDANGERED SPECIES RECOVERY EXPENDITURES.

(a) DEDUCTION FOR ENDANGERED SPECIES RECOVERY EXPENDITURES.—

(1) IN GENERAL.—Paragraph (1) of section 175(c) of the Internal Revenue Code of 1986 (relating to definitions) is amended by inserting after the first sentence the following new sentence: ''Such term shall include expenditures paid or incurred for the purpose of achieving specific actions recommended in recovery plans approved pursuant to the Endangered Species Act of 1973.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 175 of such Code is amended by inserting '', or for endangered species recovery'' after ''prevention of erosion of land used in farming'' each place it appears in subsections (a) and (c).

(B) The heading of section 175 of such Code is amended by inserting ''**; endangered species recovery expenditures**'' before the period.

(C) The item relating to section 175 in the table of sections for part VI of subchapter B of chapter 1 of such Code is amended by inserting ''; endangered species recovery expenditures'' before the period.

(b) LIMITATIONS.—Paragraph (3) of section 175(c) of the Internal Revenue Code of 1986 (relating to additional limitations) is amended—

(1) in the heading, by inserting ''OR ENDANGERED SPECIES RECOVERY PLAN'' after ''CONSERVATION PLAN'', and

(2) in subparagraph (A)(i), by inserting ''or the recovery plan approved pursuant to the Endangered Species Act of 1973'' after ''Department of Agriculture''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures paid or incurred after the date of the enactment of this Act.

SEC. 4. EXCLUSION FOR COST SHARING PAYMENTS UNDER THE PARTNERS FOR FISH AND WILDLIFE ACT AND CERTAIN OTHER PROGRAMS AUTHORIZED BY THE FISH AND WILDLIFE ACT OF 1956.

(a) IN GENERAL.—Subsection (a) of section 126 of the Internal Revenue Code of 1986 (relating to certain cost-sharing payments) is amended by redesignating paragraph (10) as paragraph (12) and by inserting after paragraph (9) the following new paragraphs:

''(10) The Partners for Fish and Wildlife Program authorized by the Partners for Fish and Wildlife Act.

''(11) The Landowner Incentive Program, the State Wildlife Grants Program, and the Private Stewardship Grants Program authorized by the Fish and Wildlife Act of 1956.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to payments received after the date of the enactment of this Act.

By Mr. McCAIN:

S. 4089. A bill to modernize and expand the reporting requirements relating to child pornography, to expand cooperation in combating child pornography, to require convicted sex offenders to register online identifiers, and for other purposes; to the Committee on the Judiciary.

Mr. MCCAIN. Mr. President, today I am introducing the Stop the Online Exploitation of Our Children Act of 2006. This legislation would reduce the sexual exploitation of our children, and punish those who cause them physical and emotional harm through sex crimes.

Twenty-two years ago, President Ronald Reagan inaugurated the opening of the National Center for Missing and Exploited Children, known as NCMEC. At a White House ceremony, he called on the center to ''wake up America and attack the crisis of child victimization.'' Today, thanks to the efforts of NCMEC and many others in the public and private sectors, America is more conscious of the dangers of child exploitation, but our children still face significant threats from those who see their innocence as an opportunity to do harm. The continuing victimization of our children is readily and all too painfully apparent in the resurgence of child pornography in our world.

In recent years, technology has contributed to the greater distribution and availability, and, some believe, desire for child pornography. I say child pornography, but that label does not describe accurately what is at issue. As emphasized by a recent Department of Justice report, ''child pornography'' does not come close to describing these images, which are nothing short of recorded images of child sexual abuse. These images are, quite literally, digital evidence of violent sexual crimes perpetrated against the most vulnerable among us.

Experts are also finding that the images of child sexual exploitation produced and distributed today involve younger and younger children. As emphasized by NCMEC, 83 percent of offenders surveyed in a recent study were caught with images of children younger than 12 years old. Thirty-nine percent had images of children younger than 6. Almost 20 percent had images of children younger than 3. These are not normal criminals, and I cannot fathom the extent of the physical and emotional harm they cause their victims.

The violence of the images continues to increase as well. Dr. Sharon Cooper, a nationally recognized expert on this subject, stated before a September Senate Commerce Committee hearing that the images often depict ''sadistic gross sexual assault and sodomy.'' This view was underscored by Mike Brown, the sheriff of Bedford County, VA, and the director of the Blue Ridge Thunder Internet Crimes Against Children Task Force, who also testified to his direct experience with increasingly violent and disturbing images of child sexual exploitation.

The Federal Government has in place a system for online companies such as Internet service providers to report these images to NCMEC. The center is directed by law to relay that information to Federal and State law enforcement agencies. This reporting system has been successful, but it is in need of several vital improvements.

The bill would enhance the current reporting system by expanding the range of companies obligated to report child pornography to NCMEC; stating specifically what information must be reported to the center; moving the reporting obligations into the Federal

criminal code; imposing higher penalties on companies that do not report child pornography to NCMEC in the manner required by law; and providing greater legal certainty around the child pornography reporting requirement.

As suggested by NCMEC, the reporting of child pornography should be more widespread. To that end, the bill would expand and clarify the types of online companies that would be obligated to report child pornography to the center. Today, Federal law requires electronic communication service providers and providers of remote computing services to report child pornography they discover to NCMEC through the center's CyberTipline. However, what types of companies fall into each category is sometimes unclear. To better define and expand the types of online companies obligated to report child pornography, the legislation would require a broad range of online service providers—including Web hosting companies, domain name registrars, and social networking sites—to report child pornography to NCMEC.

Another weakness in the current reporting system is that the law does not say exactly what information should be reported to NCMEC. This failure to set forth specific reporting requirements makes the current statute both difficult to comply with and tough to enforce, and this omission may have led to less effective prosecution of child pornographers. According to testimony submitted by the center to the Senate Commerce Committee, ''because there are no guidelines for the contents of these reports, some [companies] do not send customer information that allows NCMEC to identify a law enforcement jurisdiction. So potentially valuable investigative leads are left to sit in the CyberTipline database with no action taken.'' This is unacceptable.

The bill would cure this problem by requiring that reporting companies convey to the center a defined set of information, which is in large part the information that is provided to NCMEC today by the Nation's leading Internet service providers. Among other things, the bill would require online service providers to report specific information about the individual involved in producing, distributing, or receiving child pornography such as that individual's e-mail address. In addition, it would require reporting companies to NCMEC geographic location of the involved individual such as the individual's physical address and the IP address from which the individual connected to the Internet.

To ensure that law enforcement officials have better odds of prosecuting involved individuals, the bill would also require online service providers to preserve all data that they report to NCMEC for at least 180 days, and to not knowingly destroy any other information that they possess that relates to a child pornography incident reported to NCMEC.

The legislation would help ensure greater compliance with the child pornography reporting requirements under Federal law by increasing threefold the penalties for knowing failure to report child pornography to NCMEC. It would also move the reporting requirement from title 42, which relates to the public's health and welfare, to title 18, our Federal Criminal Code. This is to underscore that a breach of the reporting obligations is a violation of criminal law. In addition, the act would eliminate the legal liability of online service providers for actions taken to comply with the child pornography reporting requirements.

The bottom line is that this legislation should result in more thorough reporting of child pornography to NCMEC. I expect that more and better information provided to the center will lead to a greater number of prosecutions and enhanced protection of our children. As stated by NCMEC, with improvements to the reporting system there would be more reports that are actionable by law enforcement, which will lead to more prosecutions and convictions and, more importantly, to the rescue of more children.

In addition to the provisions relating to child pornography, the bill also would ensure that sex offenders will register information relevant to their online activities on sex offender registries. Specifically, it would require sex offenders to register their e-mail addresses, as well as their instant messaging and chat room handles and any other online identifiers they use. If a sex offender failed to do so, he could be prosecuted, convicted, and thrown into jail for up to 10 years. The bill would also make the use of the Internet in the commission of a crime of child exploitation an aggravating factor that would add 10 years to the offender's sentence.

To help address the international nature of child pornography, the bill would permit NCMEC to share reports with foreign law enforcement agencies, subject to approval by the Department of Justice. In addition, the act would state the sense of Congress that the executive branch should make child pornography a priority when engaging in negotiations or talks with foreign countries.

Finally, the act would authorize $20.3 million for our Nation's Internet Crimes Against Children Task Forces. This increase of $5 million above that currently requested by the Administration is recommended by NCMEC, Sheriff Brown, and others who believe that the additional amount would significantly improve the efforts of these teams of Federal, State, and local law enforcement officials dedicated to identifying and prosecuting those who use the Internet to prey upon our Nation's children.

Mr. President, protecting our children is a top priority for Members of Congress, regardless of party affiliation. This legislation would help us achieve that goal. I look forward to working with my colleagues to debate and move this bill through the legislative process during the next Congress.

By Ms. SNOWE (for herself, Mr. KERRY, Ms. LANDRIEU, and Mr. VITTER):

S. 4097. A bill to improve the disaster loan program of the Small Business Administration, and for other purposes; to the Committee on Small Business and Entrepreneurship.

Ms. SNOWE. Mr. President, I rise today with Senators KERRY, LANDRIEU and VITTER to introduce The Small Business Disaster Response and Loan Improvements Act of 2006, a bill that would provide a comprehensive; package of reforms to improve the Small Business Administration's, SBA, disaster loan program.

As you know, the entire gulf coast of the United States was ravaged in 2005 by Hurricanes Katrina and Rita. These natural disasters, unprecedented in scope and economic impact, presented a prime opportunity for the SBA to showcase its programs and resources for small businesses. Unfortunately, SBA's response was subpar at best, leaving some disaster victims waiting three months or more for disaster loans to be processed.

As chair of the Senate Committee on Small Business and Entrepreneurship, I remain committed to doing everything in my power to provide small businesses and homeowners with the tools they need to recover from disasters. The SBA is and must be at the forefront of disaster relief efforts. We must ensure that victims of future disasters have access to the resources they need to restore their lives, their businesses, and their dreams.

Many of the provisions in this bid have already passed unanimously through the Small Business Committee this year as part of the Small Business Reauthorization and Improvements Act of 2006 S. 3778, bipartisan legislation I authored that features sweeping reforms to help the SBA lead with the same dedication to excellence found in the entrepreneurs it serves. The committee unanimously approved this legislation and reported it to the full Senate, where it awaits consideration.

This bill before the Senate today includes essential provisions that would better assist victims applying for SBA disaster loans. Among other items, this legislation would increase the maximum size of an SBA disaster loan from $1.5 million per loan to $5 million per loan and would make it possible for non-profit institutions to be eligible for disaster loans.

Recognizing the increased demand disasters place on all small business lending programs, the legislation establishes a private disaster loan PDL program that allows for PDLs to be made to disaster victims by private banks, which would have to apply to the SBA for eligibility. A business would be eligible for a PDL if the county in which the business is located was