(Mr. PRYOR) was added as a cosponsor of amendment No. 2072 intended to be proposed to H.R. 1585, to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

AMENDMENT NO. 2086

At the request of Mr. LIEBERMAN, his name was added as a cosponsor of amendment No. 2086 intended to be proposed to H.R. 1585, to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

AMENDMENT NO. 2100

At the request of Mr. CORNYN, the names of the Senator from Oklahoma (Mr. COBURN) and the Senator from Missouri (Mr. BOND) were added as cosponsors of amendment No. 2100 proposed to H.R. 1585, to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

AMENDMENT NO. 2108

At the request of Mrs. CLINTON, the name of the Senator from Indiana (Mr. BAYH) was added as a cosponsor of amendment No. 2108 intended to be proposed to H.R. 1585, to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

AMENDMENT NO. 2125

At the request of Mr. SALAZAR, his name was added as a cosponsor of amendment No. 2125 intended to be proposed to H.R. 1585, to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

At the request of Mr. DURBIN, his name was added as a cosponsor of amendment No. 2125 intended to be proposed to H.R. 1585, supra.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Ms. SNOWE:

S. 1773. A bill to amend the Internal Revenue Code of 1986 to regulate payroll tax deposit agents; to the Committee on Finance.

Ms. SNOWE. Mr. President, I rise today to introduce the Small Business Payroll Protection Act of 2007. This crucial legislation will protect small businesses from payroll tax fraud and provide them with greater security when working with IRS registered payroll service providers.

By way of background, let me say that in the fall of 2003, small businessman Roger Cyr, owner of the Lily Moon Cafe in Saco, Maine, learned that he was the victim of payroll tax fraud and that he owed $52,000 in back taxes. He was one of a number of small business owners in Maine who were forced to pay their payroll taxes twice after an unscrupulous payroll provider ran off with their tax deposits instead of making the required payments to the Internal Revenue Service.

Unfortunately, this type of payroll fraud is not unique to my State of Maine, with instances of malfeasance occurring in Georgia, Texas, Utah, Iowa, Maryland, New York, and elsewhere throughout the U.S. It is unconscionable that these small business owners, are required to pay their payroll taxes twice. This additional and unexpected expense can drive these companies out of business.

But let me be clear, these egregious examples of payroll fraud hide the fact that most small businesses use payroll providers that are honest, meticulous, and trustworthy. The majority of payroll tax agents pay their clients' taxes accurately, and on time, providing outstanding service as they help their clients with a myriad of complicated tax and accounting issues. Consequently, the organizing principle behind the bill I introduce today is to safeguard small business owners from afew dishonest payroll providers, and to shield the honest payroll providers from the bad actors in their industry.

To that end, this legislation contains a number of provisions designed to guard small business owners against fraud. These provisions include increasing IRS oversight of payroll service providers, creating a separate section of the Internal Revenue code that will govern the payroll industry, defining the responsibilities of payroll tax deposit agents, and requiring all agents to register with the IRS or be penalized. The bill also penalizes payroll providers that collect, but fail to make, required tax payments by extending section 6672 penalties to all payroll tax agents. Additionally, payroll clients will also be informed of their continued liability for all of their payroll taxes as well as their obligation to periodically verify that their payroll taxes are paid in full.

Now, I recognize that the new regulations will be more costly for small payroll companies to implement than for large payroll companies. In order to keep client protections in place, while providing small payroll services providers with some reasonable flexibility, the bill offers a choice. Payroll providers can either obtain a surety bond, or comply with quarterly third-party certifications.

Surety bonds can be very difficult for many small businesses to obtain. Consequently, instead of bonding, many small payroll service providers prefer the targeted quarterly certification option, which ensures that payroll agents are depositing clients' tax funds completely and on time. Small payroll agents assert that the certification process actually provides their clients with greater fraud protection than a surety bond because the certification verifies the payroll agent's sound financial practices quarterly, while a surety boud only requires an annual audit.

As Ranking Member of the Senate Committee on Small Business and Entrepreneurship, I understand how critical it is to defend our small business owners from tax fraud. Enacting these provisions will help protect small companies in Maine, Utah, Georgia and in each of our states, from the very few dangerous payroll providers that would steal their clients' payroll taxes. At the same time, this bill recognizes that small payroll tax agents must be provided flexible and reasonable regulatory options that offer real protection to their clients. This legislation contains both strong safeguards and small business flexibility.

Mr. President, I urge my colleagues to help create a buffer for our small businesses from devious pay roll tax agents by increasing IRS oversight and protections as contained in this bill. I hope my colleagues will strongly support the Small Business Payroll Protection Act of 2007.

By Mr. BURR (for himself and Mr. GREGG):

S. 1775. A bill to reauthorize the Elementary and Secondary Education Act of 1965 to ensure that no child is left behind; to the Committee on Health, Education, Labor, and Pensions.

Mr. BURR. Mr. President, I rise today to speak on the No Child Left Behind Act of 2007, which I am pleased to introduce with my colleague Senator GREGG of New Hampshire. It has been an honor for my office to work with Senator GREGG, one of the ''Big 4'' architects of the original No Child Left Behind legislation that passed Congress with overwhelmingly bipartisan support and that was signed into law by President Bush in January 2002.

The No Child Left Behind Act of 2007 is the first comprehensive reauthorization legislation to be introduced in either the Senate or the House of Representatives. I hope our introduction today will kick-start the legislative process and get the Senate and the House on the path to a swift reauthorization of NCLB, the most sweeping and important federal K–12 education legislation passed since the original Elementary and Secondary Education Act was passed in 1965.

If ever there were a Federal law that needed to be reauthorized on time, it is No Child Left Behind. As the headline to Ron Brownstein's article in yesterday's Los Angeles Times read: ''Don't leave this law behind: Progress is slow

under Bush's 2001 education reform, but No Child Left Behind is worth improving.'' To be sure there has been lots of gnashing of teeth and grimacing in the K–12 field since NCLB was passed. But as many of us in Congress and across the country recognized when NCLB was passed in 2001, the point of No Child Left Behind wasn't, in the words of Kati Haycock of the Education Trust, ''to make people happy.''

If we had wanted to make the adult stakeholders in K–12 happy, we could have done nothing and just kept the status quo. However, in 2001 this Congress and a number of dedicated individuals and groups across this Nation decided the status quo for our children was not acceptable and that the time had come to eradicate, as President Bush called it, the ''soft bigotry of low expectations.'' Together with strong bipartisanship, this Congress with the passage of No Child Left Behind stated to all the adult stakeholders that we can and will close the achievement gap and to all of America's children that, regardless of background, socio-economics, race, ethnicity, or disability, you can and will learn and you can and will achieve.

We must not turn away from what we began when we passed the original No Child Left Behind legislation. The stakes are too high both for our children and the Nation as a whole. In the ever competitive global economy, all our children, not just some and not just the lucky or the fortunate, must be equipped with the academic skills to succeed. We cannot afford to return to the status quo of days past. The time is now to reauthorize No Child Left Behind and to reassert to all of America's children that this Congress will not give up on them and will not stop this endeavor until the too-long-standing achievement gap is closed once and for all and until all children have the academic skills they need to succeed in both postsecondary education and the workforce.

The No Child Left Behind Act of 2007 that Senator GREGG and I are introducing today does not abandon the basic tenets of No Child Left Behind. To be sure there is still a great deal of work to do to reach our Nation's goal of having all children proficient in reading and math by 2013–2014. Nevertheless, we are seeing historic increases in student achievement. Since the passage of NCLB, the United States has witnessed a greater increase in student achievement in the last five years than in the 30 previous years combined, as well as a significant narrowing in the achievement gap between African-American and Hispanic students and their Caucasian peers. The No Child Left Behind Act of 2007 builds on the original cornerstone laid by Congress in 2001 of holding schools accountable for the academic achievement of all their students and of empowering parents to make better choices for their child's education.

In particular, the No Child Left Behind Act of 2007 preserves the foundational principles of NCLB. It maintains the goal that all children will reach grade-level proficiency in reading in math by 2013–2014; keeps in place annual testing in grades 3–8 and at the high school level; and keeps in place an accountability system rooted in State standards and State assessments. Further, our bill does not water down accountability with the addition of multiple measures; rather, it keeps a laser-like focus on grade-level achievement in math and reading.

While maintaining the fundamentals of NCLB, the No Child Left Behind Act of 2007 rightly responds to legitimate concerns parents, teachers, and principals, have raised regarding the original legislation. In response to concerns raised about impracticable accountability timeframes, the No Child Left Behind Act of 2007 streamlines the accountability timeline to make it easier for schools to develop and implement plans to improve student achievement and to focus on what matters most teaching and learning. Additionally, recognizing that schools and their needs vary, the No Child Left Behind Act of 2007 allows for differentiated interventions for schools in restructuring to allow districts and schools to target resources to students and schools most in need of assistance. Further, in response to calls for the use of a growth model to measure individual student progress and to positively recognize schools and educators who are making tremendous strides in improving the achievement of all children, the bill expands the Department's seven State growth model demonstration to all 50 States.

The No Child Left Behind Act of 2007 also responds to legitimate concerns regarding the special populations of limited English proficient, LEP, students and students with disabilities, by providing greater flexibility, focus, and resources to help schools educate these students to high standards. Notably, the bill grants new flexibility for LEP students who are new to the country and codifies in statute recent flexibility granted by the Department of Education for special education students, which permits the use of alternate academic achievement standards for students with the most significant cognitive disabilities and modified academic achievement standards for students who have disabilities that preclude them from achieving grade-level proficiency. Finally, the bill targets Federal assessment dollars to develop and administer valid and reliable assessments for special education and LEP students and targets professional development dollars to empower teachers with better tools and information for teaching LEP and special education children.

The No Child Left Behind Act of 2007 reasserts that high-quality teachers are the most important factor to improved student academic achievement. The bill authorizes programs to ensure that all students are taught by a highly qualified teacher and to ensure that low-income and minority students are not taught by unqualified and inexperienced teachers at higher rates than their more affluent peers. The No Child Left Behind Act of 2007 maintains the current definition of highly qualified teacher; emphasizes alternative certification, incentive, differential, and performance and merit pay; and has States and districts conduct needs assessments to determine which districts and schools have the most acute teacher quality and staffing needs in order to better target resources to those schools and districts. Further, the bill gives greater authority to local school districts to renegotiate restrictions in collective bargaining agreements that contribute to the least experienced and qualified teachers teaching in the schools with students most in need of a highly qualified teacher.

Finally, the No Child Left Behind Act of 2007 focuses on improving the Nation's high school graduation rate. Included in the legislation is the Graduate for a Better Future Act, which I introduced earlier this year in response to the high school dropout crisis in the United States. The high school graduation rate for the class of 2003 was only 70 percent nationwide. Thus, almost one-third of American students who enter high school in ninth grade drop out of school and never receive a high school diploma. Large disparities exist in the high school graduation rates among various subgroups of students. Although the high school graduation rate for white students was 78 percent in 2003, the rate for African American students was only 55 percent, and the rate for Hispanic students was only 53 percent.

To remain competitive in the world economy, it is critical for America's youth to graduate from high school and to have access to the postsecondary education needed to succeed in the 21st century job market. Funds under the Graduate for a Better Future Act will be used to create models of excellence for academically rigorous high schools to prepare all students for college and the 21st century workplace; to implement accelerated academic catch-up programs for students who enter high school behind; to implement an early warning system to quickly identify students at risk of dropping out of high school; to implement comprehensive college guidance programs; and to implement programs that offer students opportunities for job-shadowing, internships, and community service so that students are able to make the connection between what they are learning in school and how that applies and is used in the workplace.

Additionally, the No Child Left Behind Act of 2007 requires states to get serious and to get accurate in their calculation of graduation rates. The Nation's dropout crisis will not go away

by fudging on the numbers. The graduation rate in the No Child Left Behind Act of 2007 builds on the work of all 50 states through the National Governors Association, which has signed the Graduation Counts Compact, an effort started in 2005 to find a common method for calculating each state's high school graduation rate.

As I stated at the beginning of my remarks, continuing our endeavor begun in 2001, the time is now to reauthorize No Child Left Behind. For the future of our Nation, our children, we must not turn back. Once again let us stand together and State to the American public that we can and will close the achievement gap. And once again let us say to every child, regardless of background, you can achieve.

Mr. GREGG. Mr. President, since its implementation, the No Child Left Behind Act has been successful in narrowing the achievement gap and improving student performance. Since its passage, the U.S. has witnessed a greater increase in student achievement in the last 5 years than in the previous 30 years combined, as well as a significant narrowing in the achievement gap. Because of No Child Left Behind, parents are now empowered with information on the quality of their child's school and given the ability to improve their child's education through additional tutorial services.

No Child Left Behind has been tremendously successful in ensuring that all students have access to the same high academic standards. No longer can a school hide behind the averages of their higher performing students; now all students are given the same opportunities to reach academic proficiency. Today I am introducing the No Child Left Behind Act of 2007 with my colleague Mr. BURR. This bill builds upon the basic tenets of No Child Left Behind and rightly responds to the legitimate concerns of parents, teachers and principals. The No Child Left Behind Act of 2007 maintains the expectation that all students can reach or exceed proficiency when given the opportunity. Any rollback of accountability simply ignores the progress already being made and the belief that all students can reach proficiency when given the opportunity.

Recognizing that each school and its needs vary tremendously, the No Child Left Behind Act of 2007 allows for differentiated consequences to ensure that schools where a majority of students are not performing at grade-level are treated differently than schools where a small segment of the school population is not meeting State standards. Coupled with additional time before advancing into the next stage of Program Improvement, these new differentiated consequences will allow schools to target resources and interventions to the students who need the most assistance in reaching state-determined levels proficiency.

Under this bill, the Federal Government will continue to support States financially in their development, improvement, and administration of State academic assessments through the reauthorization of the Grants for State Assessments program. Additionally, because many States are still striving to improve their assessment systems to assess students with disabilities and limited English proficient students validly and reliably, the No Child Left Behind Act of 2007 creates a fund dedicated solely to the development and improvement of assessments for these students.

The No Child Left Behind Act of 2007 recognizes that high quality teachers are the most important factor to improved student academic achievement. The bill authorizes several programs to ensure that all students are taught by a highly-qualified teacher and to ensure that low-income students are not taught by unqualified and inexperienced teachers at higher rates than their more affluent peers. This bill authorizes the Teacher Incentive Fund, a program to encourage State and schools districts to expand performance-based compensation for teachers and principals in high-need schools who raise student achievement and close the achievement gap. The No Child Left Behind Act of 2007 also authorizes the Adjunct Teacher Corp, a program to encourage highly educated and trained professionals, particularly in the areas of math and science, to teach high school courses in their area of expertise.

One of the key cornerstones of No Child Left Behind, options for parents, is maintained and expanded in the No Child Left Behind Act of 2007. Notably, this bill makes supplemental services available at the same time as public school choice, expands the time period parents can enroll their children in tutorial services programs and makes it easier for supplemental service providers to readily access school facilities.

The No Child Left Behind Act of 2007 authorizes a new ''money follows the child'' program and provides financial assistance to districts that permit Title I dollars to follow the child to the public school of his or her choice. This child-centered program will infuse competition into the public school system, empower parents with new choices and encourage all public schools to improve the academic achievement of all students.

The combination of strengthening supplemental services and the new child-centered program will provide even greater resources for parents to ensure that the educational needs of their children are being met.

This bill maintains what we know is working, accountability, transparency and expanded options, without adding burdensome new requirements. By maintaining the fundamentals of No Child Left Behind, this bill combines maximum flexibility with differentiated consequences to ensure that all schools and students have the tools necessary to reach academic proficiency.

By Mr. DURBIN (for himself and Mr. BROWN):

S. 1776. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish a user fee program to ensure food safety, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. DURBIN. Mr. President, I rise today to introduce legislation to strengthen the ability of the Food and Drug Administration, FDA, to ensure the safety of food imported into the U.S.

The volume of food imports has increased significantly in recent years, from $45.6 billion in 2003 to $64 billion in 2006. According to the USDA, imported food accounts for 13 percent of the average American's diet, including 31 percent of fruits, juices, and nuts; 9.5 percent of red meat; and 78.6 percent of fish and shellfish.

This upward trend in imported food has been accompanied by an increasing number of health and safety incidents related to imported food products. In the past 6 months, we have seen what appears to be the intentional contamination of wheat gluten and rice protein concentrate with melamine, which is an industrial product that should never find its way into food products. In addition, we recently learned that a significant volume of imported fish products from China have been contaminated with chemicals and residues, including Malachine green and Nitrofuren. We have found imported Chinese toothpaste in the U.S. that was contaminated with diethylene glycol, which is a toxic component used in antifreeze.

Unfortunately, the FDA currently lacks the resources and authority to adequately determine the quality and safety of food imports, inspect an adequate volume of imported food, and rapidly detect and respond to incidents of contaminated imports. This legislation would take several steps to correct these problems.

First, the bill would impose a fee for the FDA's oversight of imported food products. These fees would generate revenues to be used for inspections of imported food and critical food safety research. The legislation directs the FDA to use some of this funding to perform cutting-edge research to develop testing technologies and methods that would quickly and accurately detect the presence of pervasive contaminants such as E. coli and listeria. The legislation would also establish a food importer certification program that would require foreign firms and governments to demonstrate that their food safety systems are equivalent to ours.

What has been made clear through the pet food recall and other outbreaks of foodborne illnesses is that the FDA is a severely underfunded and understaffed agency. Much of the responsibility for overseeing and inspecting the safety of imported food rests with the

FDA. However, due to fairly flat budgets and increasing responsibilities, the number of inspectors looking at these shipments has actually decreased from more than 3,000 inspectors in 2003 to the present level of around 2,700 inspectors.

The Centers for Disease Control, CDC, estimates that 76 million Americans become sick from foodborne illnesses each year. More than 300,000 are hospitalized and 5,000 die each year. Less than 1.5 percent of imported food is inspected by the FDA and the FDA lacks the resources and authorities to certify the standards of our trading partners. This situation presents an economic, public health, and bioterrorism risk to the U.S.

The FDA office that is responsible for regulating more than $60 billion of imported food, the Center for Food Safety and Nutrition, CFSAN, is also responsible for regulating $417 billion worth of domestic food and $59 billion in cosmetics. All of this activity is regulated by an office for which the President requested $467 million in fiscal year 2008. Only $312 million of that amount would be for inspectors. We clearly need to review FDA's funding to make sure that it has the resources necessary to safeguard the 80 percent of our food supply that it is responsible for regulating. For this reason, a group of my colleagues and I sent a letter earlier this year to the Agriculture Appropriations Subcommittee, which funds the FDA, asking for a significant increase in the level of funding for the FDA foods program.

But imports present a special challenge. It may cost more to ensure the safety of food produced in other countries, and the logistical challenges are greater. It is important that we supplement the FDA's budget with additional funding streams to make sure that it has the resources necessary to safeguard our food supply from contaminated imports.

Specifically this legislation would direct the FDA to collect a user fee on imported food products, for the administrative review, processing, and inspection costs borne by the FDA. The legislation would use that funding to bolster FDA's import inspection program, which currently inspects less than 1.5 percent of all imports. It would also fund critical research into rapid testing technologies for detecting foodborne pathogens.

Lastly, this bill would establish an imported food certification program. Today, any country and any company can export food products to the United States as long as they inform regulators of the shipment. No checks are performed to ensure that the producer has adequate sanitary standards. The FDA does not ensure that trading partners have equivalent regulatory systems or inspect overseas plants when problems arise.

When the FDA does want to investigate an outbreak, it can be delayed by uncooperative foreign governments. For example, during the pet food recall, U.S. regulators were delayed three weeks in their request for visas to inspect facilities.

This new program would mark a watershed change in the food import safety posture of the U.S. This bill says that if you want a slice of the lucrative U.S. market, you have to comply with the same common-sense standards that apply to U.S. food producers. You have to have equivalent food safety systems and processes in place to those of the U.S. You need to give U.S. regulators access to your facilities and records so they can check your safety record without unnecessary delay. In addition, U.S. regulators would have the power to revoke the certification of a company or country that fails to comply, and to detain products that fail to meet U.S. standards.

For too long, we have gone without a solid safety standard for imported foods. Instead, our regulators jump from alert to alert and recall to recall. This legislation would close these loopholes that allow dangerous imports into our country and put a solid, proactive system in place to protect our food supply.

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

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

S. 1776

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

SECTION 1. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the ''Imported Food Security Act of 2007''.

(b) FINDINGS.—Congress finds that—

(1) the safety and integrity of the United States food supply is vital to the public health, to public confidence in the food supply, and to the success of the food sector of the Nation's economy;

(2) illnesses and deaths of individuals and companion pets caused by contaminated food—

(A) have contributed to a loss of public confidence in food safety; and

(B) have caused significant economic loses to manufactures and producers not responsible for contaminated food items;

(3) the task of preserving the safety of the food supply of the United States faces tremendous pressures with regard to—

(A) emerging pathogens and other contaminants and the ability to detect all forms of contamination; and

(B) an increasing volume of imported food, without adequate monitoring and inspection;

(4) the United States is increasing the amount of food that it imports such that—

(A) from 2003 to the present, the value of food imports has increased from $45,600,000,000 to $64,000,000,000; and

(B) imported food accounts for 13 percent of the average Americans diet including 31 percent of fruits, juices, and nuts, 9.5 percent of red meat and 78.6 percent of fish and shellfish; and

(5) the number of full time equivalent Food and Drug Administration employees conducting inspections has decreased from 2003 to 2007.

SEC. 2. USER FEES REGARDING INSPECTIONS OF IMPORTED FOOD SAFETY.

Chapter VIII of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381 et seq.) is amended by inserting after section 801 the following:

''USER FEES REGARDING FOOD SAFETY

''SEC. 801A. (a) IN GENERAL.—

''(1) ASSESSMENT.—Beginning in fiscal year 2008, the Secretary shall in accordance with this section assess and collect fees on food imported into the United States.

''(2) PURPOSE OF FEES.—

''(A) IN GENERAL.—The purpose of fees under paragraph (1) is to defray the costs of carrying out section 801 with respect to food. Costs referred to in the preceding sentence include increases in such costs for an additional number of full-time equivalent positions in the Department of Health and Human Services to be engaged in carrying out such section.

''(B) ALLOCATIONS BY SECRETARY.—Of the total fee revenues collected under paragraph (1) for a fiscal year, the Secretary shall reserve and expend amounts in accordance with the following:

''(i) The Secretary shall reserve not less than 50 percent for carrying out section 801 with respect to food, other than research under section 801(p). In expending the amount so reserved, the Secretary shall give first priority to inspections conducted at ports of entry into the United States and second priority to the implementation of the import certification program under section 805.

''(ii) The Secretary shall reserve not more than 50 percent for carrying out research under section 801(p).

''(3) AMOUNT OF FEE; COLLECTION.—A fee under paragraph (1) shall be assessed on each line item of food, as defined by the Secretary by regulation. The amount of the fee shall be based on the number of line items, and may not exceed $20 per line item, notwithstanding subsection (b). The liability for the fee constitutes a personal debt due to the United States, and such liability accrues on the date on which the Secretary approves the food under section 801(c)(1). The Secretary may coordinate with and seek the cooperation of other agencies of the Federal Government regarding the collection of such fees.

''(b) TOTAL FEE REVENUES.—The total fee revenues collected under subsection (a) for a fiscal year shall be the amount appropriated under subsection (f)(3).

''(c) ANNUAL FEE ADJUSTMENT.—Not later than 60 days after the end of each fiscal year beginning after fiscal year 2008, the Secretary, subject to not exceeding the maximum fee amount specified in subsection (a)(3), shall adjust the amounts that otherwise would under subsection (a) be assessed as fees during the fiscal year in which the adjustment occurs so that the total revenues collected in such fees for such fiscal year equal the amount applicable pursuant to subsection (b) for the fiscal year.

''(d) FEE WAIVER OR REDUCTION.—The Secretary shall grant a waiver from or a reduction of a fee assessed under subsection (a) where the Secretary finds that the fee to be paid will exceed the anticipated present and future costs incurred by the Secretary in carrying out section 801 with respect to food (which finding may be made by the Secretary using standard costs).

''(e) ASSESSMENT OF FEES.—

''(1) LIMITATION.—Fees may not be assessed under subsection (a) for a fiscal year beginning after fiscal year 2008 unless the amount appropriated for salaries and expenses of the Food and Drug Administration for such fiscal year is equal to or greater than the amount appropriated for salaries and expenses of the Food and Drug Administration

for fiscal year 2008 multiplied by the adjustment factor applicable to the fiscal year involved, except that in making determinations under this paragraph for the fiscal years involved there shall be excluded—

''(A) the amounts appropriated under subsection (f)(3) for the fiscal years involved; and

''(B) the amounts appropriated under section 736(g) for such fiscal years.

''(2) AUTHORITY.—If the Secretary does not assess fees under subsection (a) during any portion of a fiscal year because of paragraph (1) and if at a later date in such fiscal year the Secretary may assess such fees, the Secretary may assess and collect such fees, without any modification in the rate of the fees, at any time in such fiscal year notwithstanding the provisions of subsection (a)(3) relating to the time at which fees are to be paid.

''(f) CREDITING AND AVAILABILITY OF FEES.—

''(1) IN GENERAL.—Fees collected for a fiscal year pursuant to subsection (a) shall be credited to the appropriation account for salaries and expenses of the Food and Drug Administration and shall be available in accordance with appropriation Acts until expended without fiscal year limitation. Such sums as may be necessary may be transferred from the Food and Drug Administration salaries and expenses appropriation account without fiscal year limitation to such appropriation account for salaries and expenses with such fiscal year limitation. The sums transferred shall be available solely for carrying out section 801 with respect to food, and the sums are subject to allocations under subsection (a)(2)(B).

''(2) COLLECTIONS AND APPROPRIATION ACTS.—The fees authorized in subsection (a)—

''(A) shall be collected in each fiscal year in accordance with subsections (a)(3) and (b); and

''(B) shall only be collected and available for the purpose specified in subsection (a)(2).

''(3) AUTHORIZATION OF APPROPRIATIONS; ALLOCATIONS BY SECRETARY.—Subject to paragraph (4), there is authorized to be appropriated for fees under this section such sums as may be necessary to carry out the purposes of this section for each of the fiscal years 2008 through 2012. Such appropriated funds may be in addition to any other funds appropriated for such purposes.

''(4) OFFSET.—Any amount of fees collected for a fiscal year under subsection (a) that exceeds the amount of fees specified in appropriation Acts for such fiscal year shall be credited to the appropriation account of the Food and Drug Administration as provided in paragraph (1), and shall be subtracted from the amount of fees that would otherwise be authorized to be collected under this section pursuant to appropriation Acts for a subsequent fiscal year.

''(g) COLLECTION OF UNPAID FEES.—In any case where the Secretary does not receive payment of a fee assessed under subsection (a) within 30 days after it is due, such fee shall be treated as a claim of the United States Government subject to subchapter II of chapter 37 of title 31, United States Code.

''(h) CONSTRUCTION.—This section may not be construed as requiring that the number of full-time equivalent positions in the Department of Health and Human Services, for officers, employees, and advisory committees not engaged in carrying out section 801 with respect to food be reduced to offset the number of officers, employees, and advisory committees so engaged.

''(i) DEFINITION OF ADJUSTMENT FACTOR.—For purposes of this section, the term 'adjustment factor' applicable to a fiscal year is the Consumer Price Index for all urban consumers (all items; United States city average) for April of the preceding fiscal year divided by such Index for April 2007.''.

SEC. 3. RESEARCH ON TESTING TECHNIQUES FOR FOOD SAFETY INSPECTIONS OF IMPORTED FOOD; PRIORITY REGARDING DETECTION OF INTENTIONAL ADULTERATION.

Section 801 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381) is amended by adding at the end the following:

''(p) RESEARCH ON TESTING TECHNIQUES FOR FOOD SAFETY INSPECTIONS OF IMPORTED FOOD.—

''(1) IN GENERAL.—The Secretary shall (directly or through grants or contracts) provide for research on the development of tests and sampling methodologies, for use in inspections of food under this section—

''(A) whose purpose is to determine whether food is adulterated by reason of being contaminated with microorganisms or pesticide chemicals or related residues; and

''(B) whose results are available not later than approximately 60 minutes after the administration of the tests.

''(2) PRIORITY.—In providing for research under paragraph (1), the Secretary shall give priority to conducting research on the development of tests that are suitable for inspections of food at ports of entry into the United States. In providing for research under paragraph (1), the Secretary shall under the preceding sentence give priority to conducting research on the development of tests for detecting the presence in food of the pathogens E. coli, salmonella, cyclospora, cryptosporidium, hepatitis A, or listeria, the presence in or on food of pesticide chemicals and related residues, and the presence in or on food of such other pathogens or substances as the Secretary determines to be appropriate. The Secretary shall establish the goal of developing, by the expiration of the 3-year period beginning on the date of the enactment of the Imported Food Security Act of 2007, tests under paragraph (1) for each of the pathogens and substances receiving priority under the preceding sentence.

''(3) PERIODIC REPORTS.—The Secretary shall submit to Congress periodic reports describing the progress that has been made toward the goal referred to in paragraph (1) and describing plans for future research toward the goal. Each of the reports shall provide an estimate by the Secretary of the amount of funds needed to meet such goal, and shall provide a determination by the Secretary of whether there is a need for further research under this subsection. The first such report shall be submitted not later than March 1, 2008, and subsequent reports shall be submitted semiannually after the submission of the first report until the goal is met.

''(4) CONSULTATION.—The Secretary shall carry out the program of research under paragraph (1) in consultation with the Director of the Centers for Disease Control and Prevention, the Director of the National Institutes of Health, and the Administrator of the Environmental Protection Agency. The Secretary shall with respect to such research coordinate the activities of the Department of Health and Human Services. The Secretary shall in addition consult with the Secretary of Agriculture (acting through the Food Safety and Inspection Service of the Department of Agriculture) in carrying out the program.

''(5) AWARDS TO PRIVATE ENTITIES.—Of the amounts reserved under section 801A(a)(2)(B)(ii) for a fiscal year for carrying out the program of research under paragraph (1), the Secretary shall make available not less than 50 percent for making awards of grants or contracts to private entities to conduct such research.''.

SEC. 4. CERTIFICATION OF FOOD IMPORTS.

(a) IN GENERAL.—Chapter VIII of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381 et seq.) is amended by adding at the end the following:

''SEC. 805. CERTIFICATION OF FOOD IMPORTS.

''(a) IN GENERAL.—Not later than 2 years after the date of enactment of this section, the Secretary shall establish a system under which a foreign government or foreign food establishment seeking to import food to the United States shall submit a request for certification to the Secretary.

''(b) CERTIFICATION STANDARD.—A foreign government or foreign food establishment requesting a certification to import food to the United States shall demonstrate, in a manner determined appropriate by the Secretary, that food produced under the supervision of a foreign government or by the foreign food establishment has met standards for food safety, inspection, labeling, and consumer protection that are at least equivalent to standards applicable to food produced in the United States.

''(c) CERTIFICATION APPROVAL.—

''(1) REQUEST BY FOREIGN GOVERNMENT.—Prior to granting the certification request of a foreign government, the Secretary shall review, audit, and certify the food safety program of a requesting foreign government (including all statutes, regulations, and inspection authority) as at least equivalent to the food safety program in the United States, as demonstrated by the foreign government.

''(2) REQUEST BY FOREIGN FOOD ESTABLISHMENT.—Prior to granting the certification request of a foreign food establishment, the Secretary shall certify, based on an onsite inspection, the food safety programs and procedures of a requesting foreign firm as at least equivalent to the food safety programs and procedures of the United States.

''(d) LIMITATION.—A foreign government or foreign firm approved by the Secretary to import food to the United States under this section shall be certified to export only the approved food products to the United States for a period not to exceed 5 years.

''(e) WITHDRAWAL OF CERTIFICATION.—The Secretary may withdraw certification of any food from a foreign government or foreign firm—

''(1) if such food is linked to an outbreak of human illness;

''(2) following an investigation by the Secretary that finds that the foreign government programs and procedures or foreign food establishment is no longer equivalent to the food safety programs and procedures in the United States; or

''(3) following a refusal to allow United States officials to conduct such audits and investigations as may be necessary to fulfill the requirements under this section.

''(f) RENEWAL OF CERTIFICATION.—The Secretary shall audit foreign governments and foreign food establishments at least every 5 years to ensure the continued compliance with the standards set forth in this section.

''(g) REQUIRED ROUTINE INSPECTION.—The Secretary shall routinely inspect food and food animals (via a physical examination) before it enters the United States to ensure that it is—

''(1) safe;

''(2) labeled as required for food produced in the United States; and

''(3) otherwise meets requirements under this Act.

''(h) ENFORCEMENT.—The Secretary is authorized to—

''(1) deny importation of food from any foreign government that does not permit United States officials to enter the foreign country to conduct such audits and inspections as may be necessary to fulfill the requirements under this section;

''(2) deny importation of food from any foreign government or foreign firm that does not consent to an investigation by the Secretary when food from that foreign country or foreign firm is linked to a food-borne illness outbreak or is otherwise found to be adulterated or mislabeled; and

''(3) promulgate rules and regulations to carry out the purposes of this section, including setting terms and conditions for the destruction of products that fail to meet the standards of this Act.

''(i) DETENTION AND SEIZURE.—Any food imported for consumption in the United States may be detained, seized, or condemned pursuant to section 304.

''(j) DEFINITION.—For purposes of this section, the term 'food establishment'—

''(1) means a slaughterhouse, factory, warehouse, or facility owned or operated by a person located in any State that processes food or a facility that holds, stores, or transports food or food ingredients; and

''(2) does not include a farm, restaurant, other retail food establishment, nonprofit food establishment in which food is prepared for or served directly to the consumer, or fishing vessel (other than a fishing vessel engaged in processing, as that term is defined in section 123.3 of title 21, Code of Federal Regulations).''.

(b) TRANSITIONAL PROGRAM.—Not later than 180 days after the date of enactment of this Act, the Secretary of Health and Human Services shall promulgate regulations to establish a transitional food safety import review program, with minimal disruption to commerce, that shall be in effect until the date of implementation of the food import certification program under section 805 of the Federal Food, Drug, and Cosmetic Act (as added by subsection (a)).

By Mr. TESTER (for himself and Mr. DORGAN):

S. 1779. A bill to establish a program for tribal colleges and universities within the Department of Health and Human Services and to amend the Native American Programs Act of 1974 to authorize the provision of grants and cooperative agreements to tribal colleges and universities, and for other purposes; to the Committee on Indian Affairs.

Mr. TESTER. Mr. President, Indian Education is perhaps the most important issue facing Indian Country today because education represents hope. Higher education leads to better job opportunities. Better jobs lead to higher income and happier days. Higher income leads to greater access to health care and adequate housing and overall, a higher quality of life. Higher quality of life leads to strong communities. Happy, healthy, and strong communities are more resistant to the destructive forces of poverty such as chemical abuse, violence and neglect.

No one disagrees that 85 percent unemployment in Indian Country is unacceptable. No one disagrees that it is unacceptable that the majority of America's at-risk youth live in Indian Country. However, merely reciting these statistics over and over won't make the situation any better. We need to work together to make Indian Country a better place to live, work and raise a family.

Senator DORGAN and I introduce this vital legislation to help advance the remarkable work tribal colleges and universities are doing. Through grants awarded under this bill, tribal colleges and universities will have additional resources necessary to strengthen Indian communities through the provision of health promotion and disease prevention education, outreach and workforce development programs, through program implementation, research, and capacity building. Not only will it improve education, but it will also improve the delivery of culturally appropriate health care services. In addition to good education and increased access to health care, this bill will also help create good jobs in Indian Country.

Tribal colleges and universities are accredited by independent, regional accreditation agencies, and like all institutions of higher education, must undergo stringent performance reviews to retain their accreditation status. In addition to offering postsecondary education opportunities, tribal colleges serve reservation communities by providing critical services including: libraries, community centers, cultural, historical and language programs; tribal archives, career centers, economic development and business centers; health and wellness centers, public meeting places, child and elder care centers. Despite their many obligations, functions, and notable achievements, tribal colleges remain the most poorly funded institutions of higher education in this country.

The continued success and future of the Nation's tribal colleges and universities depends on their ability to provide higher education and community outreach programs. For them to succeed however, they must have the financial resources to do so. I am honored to rise today to introduce this important legislation for improving conditions in America's Indian Country. I am proud of the folks who came together to help craft the bill and am proud to cosponsor it with my friend, Chairman of the Senate Committee on Indian Affairs, Senator DORGAN.

I am proud to serve on the Indian Affairs Committee and to work to improve conditions in Indian Country.

For example, on April 5th, I held a Tribal College Summit at the Blackfeet Community College in Browning, the first of its kind.

Leaders of all the Tribal nations in Montana and leaders throughout Indian higher education met to brainstorm about how we can improve tribal colleges in the State of Montana and across the country. By the end of the day, each group pledged to take specific actions to improve tribal college education throughout the U.S.

Part of my pledge includes introducing this PATH legislation. By training more Indian students to enter the health care field, we will provide Indian country with more educated and self-sufficient members and improve the quality of and access to healthcare in Indian Country.

Healthier communities and good-paying jobs lead to improved overall conditions in Indian Country.

As a Montanan and member of the Senate Indian Affairs Community, I am proud to introduce this legislation. I look forward to swift consideration and eventual passage.

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

S. 1781. A bill to designate the facility of the United States Postal Service located at 118 Minner Avenue in Bakersfield, California, as the ''Buck Owens Post Office''; to the Committee on Homeland Security and Governmental Affairs.

Mrs. BOXER. Mr. President, today I am joined by my colleague, Senator FEINSTEIN, to introduce legislation to designate the facility of the United States Postal Service located at 118 Minner Avenue in Bakersfield, California, as the Buck Owens Post Office.

Country western legend, Buck Owens was one of the pioneers of the ''Bakersfield Sound,'' that brought the raw edge of electric guitars and a rock and roll beat to country music. A great musician and a generous man, Buck left behind a legacy of artistry and love for his adopted hometown of Bakersfield and California's Central Valley.

The son of a sharecropper, Buck was born Alvis Edgar Owens, Jr. in Sherman, TX, in 1929. At an early age, he nicknamed himself ''Buck'' after a mule on the family farm. In 1937, the Owens family moved west seeking better fortune during the Great Depression. When he was just 13 years old, Buck dropped out of school to find work, but he never stopped pursuing his passion for music.

A natural musician, Buck taught himself to play guitar in his early teens. When he was just 16, he had already landed a regular show on a local radio station and was playing shows in honky tonks and bars around Phoenix. Just 6 years later, Buck moved his young family to Bakersfield, California, where he began to make his mark on country music as a performer, a songwriter, and a recording artist.

Buck's trademark stinging electric guitar and rhythm sound revolutionized country music and challenged the Nashville establishment. His 20 number-one hits are a testament to his place among the greatest artists in country music history. Throughout his decades as an entertainer, Buck delighted audiences from Bakersfield to Nashville, all the way to Japan and even the White House.

Buck's pioneering work has continued to inspire a new generation of musicians. In 1986, when Buck had finished a 25-year run as the cohost of the Hee Haw television show, Dwight Yoakam and other new traditional performers were just beginning a revival of his hallmark Bakersfield Sound.

I was fortunate to have met Buck back in 1997 at his Crystal Palace in Bakersfield, when I was invited to

present one of his special red, white, and blue guitars to a promising music student named William Villatoro. I still vividly remember how the young man was deeply moved and inspired by Buck's generous gesture. I will certainly remember Buck Owens as a man of great compassion who possessed a profound love for his country. Although he is no longer with us, I take great comfort in knowing that Buck Owens was able to be a shining light not only in the life of a young man from Bakersfield but also to the millions of others who admired his musical gifts and were touched by his humanity.

I encourage my colleagues to join me in support of this legislation as we commemorate an icon of American music whose artistry and generosity touched so many lives in his community.

By Mr. FEINGOLD (for himself and Mr. DURBIN):

S. 1782. A bill to amend chapter 1 of title 9 of United States Code with respect to arbitration; to the Committee on the Judiciary.

Mr. FEINGOLD. Mr. President, today I will introduce the Arbitration Fairness Act of 2007. Just as its name suggests, the Arbitration Fairness Act is designed to return fairness to the arbitration system. This bill is not an anti-arbitration bill. If anything, it is pro-arbitration. I firmly believe that this bill will strengthen the arbitration system by returning arbitration to a more equitable design that reflects the intent of the original arbitration legislation, the Federal Arbitration Act.

President Calvin Coolidge signed the Federal Arbitration Act, FAA, into law on February 12, 1925. Congress passed the FAA to make arbitration an enforceable alternative to the civil courts. Even as early as the 1920s, there were concerns about the efficiency of the civil court system and a desire to allow a speedier alternative. The intent of the FAA, as expressed in a 1923 hearing before a subcommittee of the Senate Judiciary Committee, was ''to enable business men to settle their disputes expeditiously and economically.'' In a later hearing on the FAA, it was clarified that the legislation was not intended to apply to the employment contracts of those businesses. This distinction is important because it illustrates that, while arbitration was something that the FAA's original sponsors wanted to promote, they were also careful to make clear that they didn't intend for arbitration to become a weapon to be wielded by the powerful against those with less financial and negotiating power.

Since the FAA's enactment, the use of arbitration has grown exponentially. Arbitration certainly has advantages. It can be a fair and efficient way to settle disputes. I strongly support voluntary, alternative dispute resolution methods, and I believe we ought to encourage their use. But I also believe that arbitration is a fair way to settle disputes between consumers and lenders only when it is entered into knowingly and voluntarily by both parties to the dispute after the dispute has arisen. Otherwise arbitration can be used as a weapon by the stronger party against the weaker party.

One of the most fundamental principles of our justice system is the constitutional right to take a dispute to court. Indeed, all Americans have the right in civil and criminal cases to a trial by jury. The right to a jury trial in civil cases in Federal court is contained in the Seventh Amendment to the Constitution. Many States provide a similar right to a jury trial in civil matters filed in State court.

I have been concerned for many years that mandatory arbitration clauses are slowly eroding the legal protections that should be available to all Americans. A large and growing number of corporations now require millions of consumers and employees to sign contracts that include mandatory arbitration clauses. Most of these individuals have little or no meaningful opportunity to negotiate the terms of their contracts and so find themselves having to choose either to accept a mandatory arbitration clause or to forgo securing employment or needed goods and services. Incredibly, mandatory arbitration clauses have been used to prevent individuals from trying to vindicate their civil rights under statutes specifically passed by Congress to protect them.

There is a range of ways in which mandatory arbitration can be particularly hostile to individuals attempting to assert their rights. For example, the administrative fees, both to gain access to the arbitration forum and to pay for the ongoing services of the arbitrator or arbitrator, can be so high as to act as a de facto bar for many individuals who have a claim that requires resolution. In addition, arbitration generally lacks discovery proceedings and other civil due process protections.

Furthermore, there is no meaningful judicial review of arbitrators' decisions. Under mandatory, binding arbitration, even if a party believes that the arbitrator did not consider all the facts or follow the law, the party cannot file a suit in court. The only basis for challenging a binding arbitration decision is fairly narrow: if there is reason to believe that the arbitrator committed actual fraud, or was biased, corrupt, or guilty of misconduct, or exceeded his or her powers. Because mandatory, binding arbitration is so conclusive, it is a credible means of dispute resolution only when all parties understand the full ramifications of agreeing to it.

Unfortunately, in a variety of contexts, employment agreements, credit card agreements, HMO contracts, securities broker contracts, and other consumer and franchise agreements, mandatory arbitration is fast becoming the rule, rather than the exception. The practice of forcing employees to use arbitration has been on the rise since the Supreme Court's Circuit City decision in 2001. Unless Congress acts, the protections it has provided through law for American workers, investors, and consumers, will slowly become irrelevant.

The Arbitration Fairness Act of 2007, which I am happy to say will also be introduced in the House by Representative HANK JOHNSON, D–GA, reinstates the FAA's original intent by requiring that agreements to arbitrate employment, consumer, franchise, or civil rights disputes be made after the dispute has arisen. The act does not apply to mandatory arbitration systems agreed to in collective bargaining, and it does not prohibit arbitration. What it does do is prevent a party with greater bargaining power from forcing individuals into arbitration through a contractual provision. It will ensure that citizens once again have a true choice between arbitration and the traditional civil court system.

In our system of Government, Congress and State legislatures pass laws and the courts are available to citizens to make sure those laws are enforced. But the rule of law means little if the only forum available to those who believe they have been wronged is an alternative, unaccountable system where the law passed by the legislature does not necessarily apply. This legislation both protects Americans from exploitation and strengthens a valuable alternative method of dispute resolution. These are both worthy ends, and I hope that my colleagues in the Senate will join me in working to pass this important bill.

I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

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

S. 1782

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 ''Arbitration Fairness Act of 2007''.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The Federal Arbitration Act (now enacted as chapter 1 of title 9 of the United States Code) was intended to apply to disputes between commercial entities of generally similar sophistication and bargaining power.

(2) A series of United States Supreme Court decisions have changed the meaning of the Act so that it now extends to disputes between parties of greatly disparate economic power, such as consumer disputes and employment disputes. As a result, a large and rapidly growing number of corporations are requiring millions of consumers and employees to give up their right to have disputes resolved by a judge or jury, and instead submit their claims to binding arbitration.

(3) Most consumers and employees have little or no meaningful option whether to submit their claims to arbitration. Few people

realize, or understand the importance of the deliberately fine print that strips them of rights; and because entire industries are adopting these clauses, people increasingly have no choice but to accept them. They must often give up their rights as a condition of having a job, getting necessary medical care, buying a car, opening a bank account, getting a credit card, and the like. Often times, they are not even aware that they have given up their rights.

(4) Private arbitration companies are sometimes under great pressure to devise systems that favor the corporate repeat players who decide whether those companies will receive their lucrative business.

(5) Mandatory arbitration undermines the development of public law for civil rights and consumer rights, because there is no meaningful judicial review of arbitrators' decisions. With the knowledge that their rulings will not be seriously examined by a court applying current law, arbitrators enjoy near complete freedom to ignore the law and even their own rules.

(6) Mandatory arbitration is a poor system for protecting civil rights and consumer rights because it is not transparent. While the American civil justice system features publicly accountable decision makers who generally issue written decisions that are widely available to the public, arbitration offers none of these features.

(7) Many corporations add to their arbitration clauses unfair provisions that deliberately tilt the systems against individuals, including provisions that strip individuals of substantive statutory rights, ban class actions, and force people to arbitrate their claims hundreds of miles from their homes. While some courts have been protective of individuals, too many courts have upheld even egregiously unfair mandatory arbitration clauses in deference to a supposed Federal policy favoring arbitration over the constitutional rights of individuals.

SEC. 3. DEFINITIONS.

Section 1 of title 9, United States Code, is amended—

(1) by amending the heading to read as follows:

"§ 1. Definitions";

(2) by inserting before ''`Maritime'`'' the following:

''As used in this chapter—'';

(3) by striking ''`Maritime transactions'`'' and inserting the following:

''(1) 'maritime transactions';'';

(4) by striking ''commerce'' and inserting the following:

''(2) 'commerce'`'';

(5) by striking '', but nothing'' and all that follows through the period at the end, and inserting a semicolon; and

(6) by adding at the end the following:

''(3) 'employment dispute', as herein defined, means a dispute between an employer and employee arising out of the relationship of employer and employee as defined by the Fair Labor Standards Act;

''(4) 'consumer dispute', as herein defined, means a dispute between a person other than an organization who seeks or acquires real or personal property, services, money, or credit for personal, family, or household purposes and the seller or provider of such property, services, money, or credit;

''(5) 'franchise dispute', as herein defined, means a dispute between a franchisor and franchisee arising out of or relating to contract or agreement by which—

''(A) a franchisee is granted the right to engage in the business of offering, selling, or distributing goods or services under a marketing plan or system prescribed in substantial part by a franchisor;

''(B) the operation of the franchisee's business pursuant to such plan or system is substantially associated with the franchisor's trademark, service mark, trade name, logotype, advertising, or other commercial symbol designating the franchisor or its affiliate; and

''(C) the franchisee is required to pay, directly or indirectly, a franchise fee; and

''(6) 'pre-dispute arbitration agreement', as herein defined, means any agreement to arbitrate disputes that had not yet arisen at the time of the making of the agreement.''.

SEC. 4. VALIDITY AND ENFORCEABILITY.

Section 2 of title 9, United States Code, is amended—

(1) by amending the heading to read as follows:

"§ 2. Validity and enforceability",

(2) by inserting ''(a)'' before ''A written'';

(3) by striking '', save'' and all that follows through ''contract'', and inserting ''to the same extent as contracts generally, except as otherwise provided in this title''; and

(4) by adding at the end the following:

''(b) No predispute arbitration agreement shall be valid or enforceable if it requires arbitration of—

''(1) an employment, consumer, or franchise dispute; or

''(2) a dispute arising under any statute intended to protect civil rights or to regulate contracts or transactions between parties of unequal bargaining power.

''(c) An issue as to whether this chapter applies to an arbitration agreement shall be determined by Federal law. Except as otherwise provided in this chapter, the validity or enforceability of an agreement to arbitrate shall be determined by the court, rather than the arbitrator, irrespective of whether the party resisting arbitration challenges the arbitration agreement specifically or in conjunction with other terms of the contract containing such agreement.

''(d) Nothing in this chapter shall apply to any arbitration provision in a collective bargaining agreement.''.

SEC. 5. EFFECTIVE DATE.

This Act, and the amendments made by this Act, shall take effect on the date of the enactment of this Act and shall apply with respect to any dispute or claim that arises on or after such date.

SECTION-BY-SECTION ANALYSIS

When Congress enacted the Federal Arbitration Act (''FAA''), its goal was to allow an alternative forum for parties on equal footing to resolve their disputes. Yet a series of court decisions moved the law away from its original intent and opened the door for arbitration to be used to deprive ordinary citizens in employment, consumer, and franchise disputes of their constitutional right to use the civil justice system.

The Arbitration Fairness Act of 2007, introduced in the Senate by Sen. Russ Feingold (D–WI) and in the House by Rep. Hank Johnson (D–GA), reflects the FAA's original intent by requiring that agreements to arbitrate employment, consumer, franchise, or civil rights disputes be made after the dispute has arisen. The Act does not prohibit arbitration, but it will prevent a party with greater bargaining power from forcing individuals into arbitration through a contract entered into prior to a dispute arising. It will ensure that citizens have a true choice between arbitration and the traditional civil court system.

Sec. 1: Short Title: the ''Arbitration Fairness Act of 2007''

Sec. 2: Findings: This section details how the law has moved away from the original intent of the Federal Arbitration Act and has now exposed growing numbers of individual consumers and employees to mandatory arbitration agreements. It also discusses the ways in which mandatory arbitration systems are skewed in favor of powerful, corporate, repeat players.

Sec. 3: Definitions: This section amends section 1 of the FAA (9 U.S.C. §1) to include specific definitions of ''employment dispute,'' ''consumer dispute,'' and ''franchise dispute,'' which are covered by the Act. An employment dispute is any dispute between an employer and employee arising out of the relationship as defined by the Fair Labor Standards Act. A consumer dispute is a dispute between an individual person who seeks or acquires property, services, money, or credit for non-business purposes and the seller or provider of those goods or services. A franchise dispute is a dispute between a franchisor and franchisee arising out of or relating to the contract establishing the franchise.

Sec. 4: Validity and Enforceability: This section amends section 2 of the FAA (9 U.S.C. §2) to establish that agreements to arbitrate employment, consumer, or franchise disputes will not be enforceable if they are entered before the actual dispute arises. It extends this rule to disputes arising under civil rights statutes and statutes regulating contracts or transactions between parties of unequal bargaining power. This section also states that disputes as to whether the Act applies shall be resolved by the court, rather than through arbitration. Finally, the section clarifies that the Act does not apply to collective bargaining agreements.

Sec. 5: Effective Date: The Act shall apply to claims and disputes arising on or after the date of enactment.

By Mr. ENZI:

S. 1783. A bill to provide 10 steps to transform health care in America; to the Committee on Finance.

Mr. ENZI. Mr. President, I rise for the purpose of introducing a bill on health care reform. I know the Presiding Officer has immense interest in it, as do a number of other Senators. I have read his bill and incorporated many parts of that.

Health care reform is one of the biggest needs in this country. It is the fastest escalating price in this country. It is the biggest cost to companies and individuals in this country. We need to have a solution.

I have been working with Senator KENNEDY, who is the chairman of the Health, Education, Labor and Pensions Committee. He has a very full plate with the Higher Education Act, the higher education reconciliation, information technology, and I could go on to mention about 53 bills we are working on in that committee. So I have had some latitude as ranking member to try to pull together some information—some legislation that would deal with health care for this Nation. This is a work in progress. This is not a finished document.

I wish to thank Senator KENNEDY for working with me and his staff and my staff to come up with some health care principles we wanted to follow. Of course, I appreciate the work Senator NELSON did with me in previous times and currently on small business health plans. I appreciate Senator BAUCUS's efforts on health care and how the tax

package goes together with that. We can see there are a lot of moving parts to anything we do with health. Senator COBURN has an outstanding and very comprehensive package on how we can solve many of the health care and health insurance problems in this Nation. Senator LOTT, Senator DEMINT, Senator MCCONNELL; as I mentioned, the Presiding Officer, Senator WHITEHOUSE; Senator LINCOLN, Senator CARPER, Senator SALAZAR, and Senator DURBIN—these are all people who have come up with either a comprehensive plan or a piece of a plan that would work to make an important difference in health care in this country.

Congressman McCreary on the House side has been a real leader on this and, of course, the President and the administration have made contributions as well. The President, in his State of the Union speech, made some comments about how taxes would fit in with solving some of the uninsured problems in the country, and some of those provisions are in here as well.

Without the work of everyone on this, it can't be done. If it gets polarized, it can't be done. This is something which has to be done in a very bipartisan way. I hope we have a framework from which we can all operate, making changes, finding third ways.

I work on an 80-percent rule. I anticipate and from experience have found that usually everybody can agree on 80 percent of the issues, and among the 80 percent of the issues on which they agree, they can agree on 80 percent of any one of those issues. You never get a perfect bill around here. If you can get 80 percent, you can get a lot done. That is what we are trying to do on health care—make an 80-percent change for the people of America. Eighty percent would be a huge difference and will help out a lot of people.

So I rise today to talk about an issue that is literally a heartbeat away from devastating the lives of every American; that is, our current health care crisis. Undeniably, we have a problem. There are 46.1 million Americans, according to the last tabulation, who are uninsured. Now, we always talk about that figure and change it slightly differently because there are 7 million of those people who make over $80,000 a year and don't have insurance, so they must choose not to have insurance, but they are uninsured. People who are on Medicaid, they don't have to sign up for anything before they have an emergency. When they go to the hospital, they can sign up then. That is a significant number of the 46.1 million people as well. So I don't know whether to really say they don't have insurance, but at any rate, let's just use that figure of 46.1 million Americans who are uninsured and figure out a way to solve that, as well as to help people who also have insurance to perhaps be able to handle the situation even better.

Health care costs are outstripping inflation. They are increasing annually at three times the rate of the Consumer Price Index. It is little surprise that three out of every four Americans are concerned about health care—three out of four. I think probably, if you are talking to people, you would think the percentage was even higher than that.

Employer-provided health insurance is voluntary and in critical condition. Sixty percent of the country's employers offer insurance today, but that is down 9 percent from a few years ago. It is partly due to the fact that the cost of health insurance for companies has nearly doubled in the same amount of time. With employers expected to pay over $8,000 per employee versus $4,000 5 years ago, we have no choice but to stabilize the system and provide more options for businesses so they can continue to provide health care for their employees.

We must also provide real options—real options for those without employer-based health care. My own home State of Wyoming is hard-hit. On average, one in five Wyoming residents is uninsured, and more and more residents are losing the coverage they do have as the costs go up. It is largely due to the fact that much of Wyoming's economy is small business. Nearly 70 percent of Wyoming employers are small business. Actually, if you use the Federal definition of small business and you talk about companies headquartered in Wyoming, 100 percent of the companies are small business. We don't have a single one, according to the Federal definition, that is based in Wyoming. But nearly 70 percent of the employers find that it is nearly impossible to afford health care coverage for their employees.

Thankfully, I am not here today to talk about these problems; I am here to provide real solutions. Americans need and deserve real solutions to this crisis now, and they are counting on this body to work together to get that. The time has come to move beyond the rhetoric and principles to true comprehensive health care reform.

Congress could enact 10 major steps for health care reform. These 10 steps are the basis of the legislation I am introducing today, the Ten Steps to Transform Health Care in America, or simply ''Ten Steps.''

In putting together these 10 steps, I first wanted to understand the problem, and all the proposals others have been discussing help with that. I have studied those other proposals very carefully, and my colleagues will find that I have included many of the concepts of those other proposals in the 10 steps. I particularly wish to recognize again and thank Senator BAUCUS, Senator KENNEDY, Senator NELSON, Senator COBURN, Senator LOTT, Senator DEMINT, Senator MCCONNELL, Senator WHITEHOUSE, Senator LINCOLN, Senator CARPER, Senator SALAZAR, Senator DURBIN, Congressman MCCREARY, the President, the administration—all of them for their contributions, for their patience, and for their willingness to share their ideas.

However, to truly do this right, we have to move beyond the usual jurisdictional issues, beyond the usual reauthorizations of a single program at a time. We have to examine the whole health care system and together—together, we have to put forward a bold and comprehensive solution that addresses our health care crisis. That is what Ten Steps does. It is a comprehensive solution to a very big problem. It can be done in parts. It doesn't have to be done as one structure.

It needs to go through the committee process. I have pointed out several times that bills that don't go through the committee process usually don't make it through the process at all. They are good for making rhetoric, they are good for making points, they are sometimes good for advancing a principle, but they seldom ever make it to the President's desk for signature. So I know this will have to go through more than one committee. I know the jurisdictional issues between Health, Education, Labor and Pensions and the Finance Committees. I have no problem. We did the pensions bill last year, going through those same kinds of multiple committees and getting agreement from everybody, and that can be done on this issue as well—of course, as long as we don't polarize it.

So I want to reiterate again that this is not a final bill. One of the things we have done in the HELP Committee which has helped to move things along is to consider every bill a work in progress. At a lot of the committee meetings, when you have a markup, different amendments are presented and they are voted up or down, just like on the floor. Well, that doesn't result in a lot of compromise. So what we have done on the HELP Committee is use the markup process as an indication of problems and the level of intensity of those problems, and we have agreed to work through those problems even after the bill makes it through committee. As a result, it seldom makes it through committee unanimously, but it makes it through committee in a bipartisan way, and that encourages people to work together to find solutions. Sometimes it is one way or the other, but usually it is finding a third way to come up with a mechanism to do what we are trying to do. Once we can put away some of the old ''diving into the weeds'' things that have happened year after year, we are able to come up with something new and different that actually reaches the goal we have been trying to reach as we jumped into the weeds through the whole process.

So I want to remind everybody that it is a work in progress. We want more ideas. We want some of those third ways. But primarily, we want everybody to take a look at what is in here because it is a compilation of a number of people who have really taken a look at the situation.

So what does it do? These 10 steps—I will break them down into the actual 10 steps and go through each of them.

First, we eliminate unfair tax treatment of health insurance, which expands choices and coverage and gives all Americans more control over their health care.

Our current health insurance system is biased toward employer-based coverage—kind of due to a historical accident. The wage controls of World War II increased competition among employers for recruiting the best employees and incentivized employers to offer health benefits instead of what they couldn't do, which was increase wages. In 1954, Congress codified a provision declaring that such a contribution would not count as taxable income. This tax policy made it very favorable for individuals to get their health benefits through their employers and consequently has penalized individuals who get coverage through the individual market. So if you work for a big company—a tax break. If you don't—penalized.

The Joint Committee on Taxation estimated that moving this tax bias and a few related health care tax policies will save the Government $3.6 trillion over the next 10 years. Even around here, that is a lot of money. That is a lot of money which can and should be used to expand choices and access and give individuals more control over their health care. Ten Steps ensures that every American can benefit from this savings—whether they get their health care from their employer, from the individual insurance market or they decide they want to get off Medicaid and switch to private insurance.

Let me be clear. My goal is not to erode employer-based health insurance, given that the Ten Steps does not alter the way employers treat health insurance. Rather, I wish to provide more options for individuals who don't currently have insurance through their employer. Everyone should be treated equally.

Once the employee exclusion for health care insurance is eliminated, we must provide additional tax incentives for the purchase of health care insurance. Ten Steps is a hybrid approach, combining the standard deduction for health insurance with a tax subsidy for those who need it the most. That way, no particular population is adversely affected.

The second step of Ten Steps would increase affordable options for working families to purchase health insurance through a standard tax deduction. The national above-the-line standard deduction for health insurance will equal $15,000 for a family and $7,500 for an individual. I wish to also note the earned-income tax credit for taxpayers with qualifying children is held harmless—that is very important—so those receiving the earned-income tax credit will not be affected by these changes. Actually, they will be affected in a positive way.

For example, say Bob from Gillette, WY, has total compensation of $38,000, made up of $34,000 in wages and $4,000 in health insurance premiums paid by his employer. Because of the current unfair tax treatment of premiums, Bob's current taxable income is reduced to $34,000, which means he paid about $5,000 in taxes. To an accountant, this is all fascinating; for other people, I am not so sure.

Under the Ten Steps, which eliminates the exclusion of premiums from tax, Bob's total compensation and thus taxable income would be $38,000. By providing Bob with a $7,500 standard deduction for health insurance, his taxable income under this bill would be lowered to $30,500, which means he would pay about $4,000 in taxes. So Bob's total savings under this proposal is $1,000 a year.

The third step of Ten Steps is what makes this a hybrid approach. I couple the standard deduction with a refundable, advanceable, assignable tax-based subsidy. That is a mouthful, but it ensures that Americans receive this credit in a meaningful way that allows them to purchase real insurance coverage.

Given that everybody is not familiar with these terms, I will explain them. As a refundable credit, it benefits folks even if they don't have tax liability. They don't have to owe taxes in order to get it. This helps low-income individuals. Advanceable means the subsidy would be paid at the beginning of the year so individuals can use the funds to immediately purchase health insurance. If it wasn't advanceable, individuals would need to first pay for their health insurance and then get the money back at the end of the year to pay them back for that purchase. To encourage everyone to obtain health insurance right away, we should provide those funds upfront. Further, to ensure that the subsidy goes toward the purchase of health care insurance, it is also assignable—paid directly from the IRS to the insurance carrier that the individual chooses.

Ten Steps includes the tax subsidy equal to $5,000 for a family or $2,500 for an individual. The full subsidy amount is available to individuals at or below 100 percent of the Federal poverty level, which is $20,650 right now for a family of four. The subsidy is phased out between up to 300 percent of Federal poverty level, with individuals at 200 percent receiving half the subsidy and individuals at 301 percent receiving the standard deduction instead of the subsidy. I am sure everybody got that.

The fourth key step for health care reform is to provide market-based pooling to reduce growing health care costs and increase access not only for small businesses, unions and other kinds of organizations and their workers, members, and families. That is a change from anything I have done on pooling before, but it is a change that was requested by the other organizations and unions, as well as small business. Those of you who know me well recognize how central this would be to any health care reform proposal of mine.

While I have not yet introduced the small business health plan legislation from last year, I have not abandoned those key principles. Every day, emergency rooms treat more than 30,000 uninsured Americans who work for or depend on small businesses. That is at least 30,000 reasons why I will not abandon the concept. However, in the proposal I am introducing, I have addressed some of the criticisms of the bill, and I have offered what I believe are appropriate solutions.

For instance, while the earlier bill focused heavily on small businesses—and this one still does—it simply became clear that other organizations, including unions and churches, can benefit from better pooling options too. Therefore, under this bill, the umbrella of the pooling option has been expanded to include more kinds of organizations but with the same strong focus on consumer protections and State-based oversight.

Of course, a big elephant in the room was dealing with those who were misled to fear how the initial proposal dealt with insurance mandates. I hope those who were so vocal before will pause this time around. By incorporating what many have described as the Snowe amendment—which I am sure we would have passed at the time we were talking about that before—the legislation would require benefit mandate categories if a majority of the States required them. While I still have some concerns, I am comfortable with this compromise because the mandate requirement is coupled with something it needs to encourage pooling and that is a common definition of what that mandate means. We do it with the Federal insurance plan because definitions in all the States run a little bit different. If you are trying to do something comprehensively, it is pretty hard to figure out what each definition means, so there needs to be a way of streamlining it and coming up with a common definition for that mandate. I don't think people have a problem with that, especially since we do it with the Federal plan.

As I learned with the previous debate, mandates for many different services and items are not consistent from State to State. Thus, if we are to discuss requiring those, we should at least have a consistent definition of what those mandates require. We should not further complicate the pooling option with a multitude of definitions. We want to make insurance as simple as possible. I know that is kind of an oxymoron, I am sure, because I know nobody in America relishes having their insurance agent come over and spend an evening explaining the bill to them. But we want to have this little bit of streamlining so it is simpler and people will be able to understand it, to the degree that is possible with insurance.

While the next step is probably one of the most obvious ones, it is also one many have not yet discussed. Currently, HIPAA portability protections

are provided to group health plans. The protections provide assurances to consumers that insurers will deal with preexisting conditions fairly and provide coverage, even to small groups.

These protections have been a great help for individuals purchasing health care coverage in the group market. However, those consumer protections are not provided nearly as well to individuals who are purchasing in the individual market. Ten Steps blends the individual and group market to extend important HIPAA portability protections to the individual market so the insurance security can better move with you from job to job. It allows people to take that new opportunity and still be sure they will be covered, even if they have had some preexisting conditions.

The sixth step emphasizes preventive benefits and helps individuals with chronic diseases better manage their health. America should have health care, not sick care. Prevention, prevention, prevention. That makes a big difference in the cost.

We have all been discussing the need to do more to prevent disease, not just treat its symptoms. Even though I leave much to the markets to define some health insurance components, the one thing we must emphasize is the need for prevention. Any plan purchased with the tax subsidy must include basic preventive services and a medical self-management component.

This concept is modeled after a very successful program in Wyoming. In 2005, Wyoming EqualityCare, our Medicaid Program, began providing one-on-one case management for Medicaid participants with chronic illnesses, such as diabetes, asthma, depression or heart disease, to encourage better self-management of these conditions. The program provides educational information on self-management, as well as a nurse health coach who follows up with each patient to ensure they have what they need to take care of themselves.

In addition, EqualityCare provides a nursing hotline so all patients have a direct line to a health care provider when they are concerned about an illness. These programs targeting those with chronic illnesses were estimated to save nearly $13 million for the EqualityCare program in 2006. In a lot of States, that would not sound like a lot, but Wyoming is the least-populated of all of the States. We are hoping to get 500,000 people in the next census. When you talk about $13 million being saved in this EqualityCare Program dealing with Medicaid participants, it is a lot of money, proportionately, particularly because it cut down on inappropriate use of emergency room services.

Now, another key step of the Ten Steps for health care reform is to give individuals the choice to convert the value of their Medicaid and SCHIP program benefits into private health insurance, putting them in control of their health care, not the Federal Government. The rationale for this step is simple. If the market can provide better coverage at a lower price, why not allow Americans to access that care?

This gives low-income individuals more options about where they can receive their care and what care is available to them. Some providers don't see Medicaid and SCHIP patients. This provision will change that by letting the market forces work and give all patients more choices. It is time for people to start making decisions about their care. Let's get the Government out of the doctors office.

About 6,000 kids are enrolled in the Wyoming SCHIP program. An additional 6,000 kids are eligible for the program but are not enrolled. I wonder why that is. Maybe it is because folks in Wyoming are wary about accepting Government help, and they think there is a negative stigma associated with SCHIP and Medicaid. Well, under Ten Steps, they can use that money to purchase health care insurance through the private sector so that their family can attain the high quality care they need and deserve. This will cover more people.

The eighth step in Ten Steps is a bipartisan proposal which the HELP Committee approved last month—the ''Wired for Health Care Quality Act,'' which encouraged the adoption of cutting-edge information technologies in health care to improve patient care, reduce medical errors, and cut health care costs. Some of the most serious challenges facing health care today—medical errors, inconsistent quality, and rising costs—can be addressed through the effective application of available health information technology linking all elements of the health care system.

The widespread use of health IT can save lives. If somebody is traveling and gets in a car wreck or gets hurt in some other way, the emergency room doctor would be able to find out everything he or she needs to know to make the right treatment decisions, without the person having to fill out one of those little papers at the doctors office, which they may not be capable of doing if they have been in a requiem or have some other problem.

Better use of health IT would also allow medical data to move with people when they go to other locations. When someone goes to the doctor's office, they won't have to take the clipboard and a pencil and write down everything they can remember about their history. It will already be recorded and go with them. It will make a huge difference.

Beyond saving lives and saving time, more effective use of health information technology would save us a lot of money. A RAND study suggested that health IT has the potential to save—listen to this—$162 billion a year. Even around here that is real money. In order for these savings to be realized, we have to create an infrastructure for interoperability.

All the different health providers and insurers and doctors have to be able to get the information electronically, but doctors, hospitals, health care advocates, the business community, including small businesses, are clamoring for Congress to take action and establish uniform health IT standards. That will cut down on the cost of the software.

Time is of the essence. If Congress does not act, our health care system will move forward in a highly inefficient, fragmented, and disjointed way. Among other things, this bill will eliminate duplicative tests and reduce medical errors. That is a lot of where that $162 billion a year in savings comes from.

Health care reform cannot simply expand health insurance coverage. It must also expand access to actual providers of care. There are growing shortages of health care providers nationally, with a shortage of up to 200,000 primary care physicians and 1 million nurses expected by 2020. Who is going to take care of us at the hospital if we don't have nurses? Who is going to help make a diagnosis if we don't have doctors?

That is why the ninth step of Ten Steps helps future providers and nurses pay for their education while encouraging them to serve in areas with great need with five key reforms.

This legislation provides competitive matching grants for States to encourage nurses to return to the profession after having left the workforce for 3 years or more while reaffirming the commitment to current programs targeting nurse educators and nurse education. So this will encourage people to come back into providing that excellent service. To deal with the shortage right now, this legislation will expand the number of nonimmigrant skilled workers visa slots for nurses serving in medically underserved areas.

To expand access to those most vulnerable, Ten Steps reaffirms the commitment to current programs that are working, such as the Community Health Centers program and the loan repayment programs at the National Health Service Corps. Working together, these two programs provide key support in underserved areas.

To allow for greater access to health care services, clarification will be made that convenient care clinics may accept and receive reimbursement from Medicaid and SCHIP patients. These convenient care clinics are small health care facilities located in retail outlets providing affordable and accessible nonemergency health care from nurses, physician assistants, and physicians. Often open 7 days a week, these clinics provide an option for those seeking routine and preventive care services in a more convenient setting—at the retail outlets—and with patients seen typically within 15 minutes.

Finally, building upon the successes of current rural health programs, Ten Steps will ensure appropriate development of rural health systems and access to care for residents in rural areas.

In providing access to health care, I believe it is important to envision where we want to provide that care. Community and home-based care is often much preferred, less costly, and proven to increase quality of life. To encourage innovative approaches to keeping long-term care in residential settings, competitive grants will be available to give seniors more options for receiving care in home or community-based settings. We just had a hearing on that subject in the HELP Committee. It was both very helpful and very convincing.

The final step to Ten Steps decreases the skyrocketing cost of health care by restoring reliability in our medical justice system through State-based solutions. The bill I have been discussing today includes the Fair and Reliable Medical Justice Act, which I just introduced with Senator BAUCUS, for States to encourage early disclosure of preventable health care errors, prompt and fair compensation for injured patients, and careful analysis on patterns of health care errors to prevent future injuries. By funding demonstration projects, States are enabled to experiment with and learn from ideas leading to long-term solutions tailored to the unique circumstances of each State.

No one—not patients or health care providers—is appropriately served by our current medical litigation procedures. Right now, many patients who are hurt by negligent actions receive no compensation for their loss. Those who do receive merely 40 cents of every premium dollar, given the high cost of legal fees and administrative costs. That is simply a waste of medical resources.

Furthermore, the likelihood and the outcomes of lawsuits and settlements bear little relation to whether the health care provider was at fault. Consequently, we are not learning from our mistakes. Rather, we are simply diverting our doctors. When someone has a medical emergency, they want to see a doctor in an operating room, not a courtroom.

The medical liability system is losing information that could be used to improve the practice of medicine. Although zero medical errors is an unattainable goal, the reduction of medical errors should be the ultimate goal in medical reform. The Institute of Medicine, in its landmark study called ''To Err is Human,'' estimated that preventable medical errors kill somewhere between 44,000 and 98,000 Americans each year. That study further emphasized that to improve our health care outcomes, we should no longer focus on individual situations but on the whole system of care that is failing American patients.

In the 8 years since that study, little progress has been made. Instead, the practice of medicine has become more specialized and complex while the tort system is more focused on individual blame than on a system safety.

I realize I have talked for quite a bit about Ten Steps, and given the current crisis, we should be talking a lot more about real solutions, not just problems. I also want everyone to know I believe the introduction of this bill today is simply the first step forward. I look forward to talking with others about their thoughts on how to improve this proposal, how to better refine it so it can better serve all Americans.

With all of that talk, I also want action, real action, to provide real coverage for Americans, not a large expansion of a government program with a huge pricetag that does little to impact those who are uninsured.

We have an opportunity, we have an obligation to take care of the people of this country, and they are demanding it. Let's work from a basis of some information and see where we can take it so that we get a solution and we get action now.

By Mr. KERRY (for himself, Ms. SNOWE, Ms. CANTWELL, and Ms. LANDRIEU):

S. 1784. A bill to amend the Small Business Act to improve programs for veterans, and for other purposes; to the Committee on Small Business and Entrepreneurship.

Mr. KERRY. Mr. President, I am pleased to introduce today the Military Reservist and Veteran Small Business Reauthorization and Opportunity Act. As the Chairman of the Senate Committee on Small Business and Entrepreneurship, I am gratified that I was able to work with Ranking Member Senator SNOWE on behalf of the 25 million veterans currently in America, including over 1 million who have left military service since September 11, 2001. As the conflicts in Iraq and Afghanistan continue, the number of veterans, including service disabled veterans, will increase and reservists will continue to carry more of the burden then ever before. As veterans and reservists reenter civilian life, the small business programs provided by the Federal Government will become even more critical. I am serious about addressing the problems affecting veterans and reservists who wish or are already engaged in small business and this bill is another step forward in doing so.

The Military Reservist and Veteran Small Business Reauthorization and Opportunity Act of 2007 reauthorizes the veteran programs in the Small Business Administration. Specifically, this legislation increases the funding authorization for the Office of Veteran Business Development from $2 million today to $2.5 million over three years. In light of the large numbers of veterans returning from Iraq and Afghanistan and increased responsibilities placed on this office by Executive Order 13360, it is high time that the Office of Veteran Business Development receive the funding levels that it needs.

The bill also creates an Interagency Task Force to improve coordination between agencies in administrating veteran small business programs. One of the biggest complaints that our Committee heard at the ''Assessing Federal Small Business Assistance Programs for Veterans and Reservists'' hearing held on January 31st was that Federal agencies do not work together in reaching out to veterans and informing them about small business programs. This task force is an attempt to improve that. The task force is composed of representatives from Small Business Administration, Department of Defense, Department of Veterans Affairs, Department of Labor, General Services Administration, Office of Management Budget and four veterans service organizations appointed by the President. The task force will focus on increasing veterans' small business success, including procurement and franchising opportunities, access to capital, and other types of business development assistance.

This bill also permanently extends the SBA Advisory Committee on Veterans Business Affairs. The committee was created to serve as an independent source of advice and policy recommendations to the SBA, the Congress, and the President. The veteran small business owners who serve on this committee provide a unique perspective which is sorely needed at this challenging time. Unfortunately, continuing uncertainty about the Committee's future has, at times, distracted the committee from focusing on its core function. Therefore, I have called for its permanent extension. It is clear to me that more needs to be done to address the issues facing veterans and reservists, and the role this committee plays will continue to be important.

Additionally, I have taken a number of steps to better serve the reservists who are serving their country abroad while their businesses are suffering at home. Over the past decade, the Department of Defense has increased its reliance on the National Guard and reserves. This has intensified since September 11, 2001, and increased deployments are expected to continue. The affect of this increase on reservists and small businesses continues to remain of concern. A 2003 GAO report indicated that 41 percent of reservists lost income when mobilized. This had a higher effect on self-employed reservists, 55 percent of whom lost income.

In 1999, I created the Military Reservist Economic Injury Disaster Loan, MREIDL, program to provide loans to small businesses that incur economic injury as a result of an essential employee being called to active duty. However, since 2002, fewer than 300 of these loans have been approved by the SBA, despite record numbers of reservists being called to active duty. It is clear that changes need to be made, so that reservists are informed about the availability of the MREIDL program and that the program better meets their needs.

At the hearing on January 31, we heard suggestions for a number of

changes which would improve the Military Reservist Economic Injury Disaster Loan program, and I have included those changes in this bill. They include increasing the application deadline for such a loan from 90 days to 1 year following the date of discharge; creating a predeployment loan approval process; and improved outreach and technical assistance.

This bill also increases to $50,000 the amount SBA can disburse without requiring collateral under the MREIDL program. Reservist families have already sacrificed enough when a family member goes away to serve their country and when their business is harmed as a result. This loan program would allow reservist dependent businesses to access the capital they need to stay afloat without having to sacrifice beyond the service of the key employees. In order to give reservists time to repay the loans, the non-collaterized loan created in this bill would not accumulate interest or require payments for one year or until after the deployment ends, whichever is longer.

While addressing the funding needs of reservists is essential, I also want to make sure that reservists receive the technical and management assistance they need to succeed. For that reason, this bill also includes the establishment of the Reservists Enterprise Transition and Sustainability Task Force. This grant program would allow Small Business Development Centers, Women's Business Centers and veteran centers to compete for grants to create programs that help small businesses prepare for and cope with the mobilization of reservist-employees and owners.

There are two more provisions which will help this Nation's service members. One section of the bill will require the SBA to give priority to MREIDL loans during loan processing. Another provision will give activated service members an extension of any SBA time limitations equal to the time spent on active duty. This will make it easier for service members to serve their country while continuing to meet their obligations at home.

Lastly, this bill calls for two reports. One report will look at the needs of service-disabled veterans who are interested in becoming entrepreneurs. As a result of the war on terror and improved medicine, we are seeing more service-disabled veterans than we have seen in decades. For some service-disabled veterans, entrepreneurship is the best or only way of achieving economic independence. Therefore, it is essential that we understand and take steps to address the needs of the service-disabled veteran entrepreneur or small business owner.

This bill also calls for a study to investigate how to improve relations between reservists and their employers. In January, the Committee heard that recent changes by the Department of Defense to policies regulating the length and frequency of reservist deployments is harming the ability of reservists to find jobs and the ability of small business owners to continue hiring them. Witnesses testified about reservists being turned down or not considered for jobs because they are reservists. I have heard reservists talk about being pressured to leave the reserves if they would like to continue to advance at work. I have also heard the concerns of small business owners who want to support servicemembers; however, they cannot do so if it means the survival of their business. Understanding more about this issue is important and essential to making sure that policymakers can continue to support citizen soldiers and the small businesses that employ them across the Nation.

Veterans possess great technical skills and valuable leadership experience, but they require financial resources and small business training to turn that potential into a viable enterprise. A recent report by the Small Business Administration stated that 22 percent of veterans plan to start or are starting a business when they leave the military. For service-disabled veterans, this number rises to 28 percent. This bill is another step forward in providing the necessary resources for veterans and reservists to succeed in starting or growing a small business.

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

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

S. 1784

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 ''Military Reservist and Veteran Small Business Reauthorization and Opportunity Act of 2007''.

SEC. 2. DEFINITIONS.

In this Act—

(1) the term ''activated'' means receiving an order placing a Reservist on active duty;

(2) the term ''active duty'' has the meaning given that term in section 101 of title 10, United States Code;

(3) the terms ''Administration'' and ''Administrator'' mean the Small Business Administration and the Administrator thereof, respectively;

(4) the term ''Reservist'' means a member of a reserve component of the Armed Forces, as described in section 10101 of title 10, United States Code;

(5) the term ''Service Corps of Retired Executives'' means the Service Corps of Retired Executives authorized by section 8(b)(1) of the Small Business Act (15 U.S.C. 637(b)(1));

(6) the terms ''service-disabled veteran'' and ''small business concern'' have the meanings given those terms in section 3 of the Small Business Act (15 U.S.C. 632);

(7) the term ''small business development center'' means a small business development center described in section 21 of the Small Business Act (15 U.S.C. 648); and

(8) the term ''women's business center'' means a women's business center described in section 29 of the Small Business Act (15 U.S.C. 656).

TITLE I—VETERANS BUSINESS DEVELOPMENT

SEC. 101. INCREASED FUNDING FOR THE OFFICE OF VETERANS BUSINESS DEVELOPMENT.

(a) IN GENERAL.—There are authorized to be appropriated to the Office of Veterans Business Development of the Administration, to remain available until expended—

(1) $2,100,000 for fiscal year 2008;

(2) $2,300,000 for fiscal year 2009; and

(3) $2,500,000 for fiscal year 2010.

(b) SENSE OF CONGRESS.—It is the sense of Congress that any amounts provided pursuant to this section that are in excess of amounts provided to the Administration for the Office of Veterans Business Development in fiscal year 2007, should be used to support Veterans Business Outreach Centers.

SEC. 102. INTERAGENCY TASK FORCE.

Section 32 of the Small Business Act (15 U.S.C. 657b) is amended by adding at the end the following:

''(d) INTERAGENCY TASK FORCE.—

''(1) ESTABLISHMENT.—Not later than 90 days after the date of enactment of this subsection, the President shall establish an interagency task force to coordinate the efforts of Federal agencies necessary to increase capital and business development opportunities for, and increase the award of Federal contracting and subcontracting opportunities to, small business concerns owned and controlled by service-disabled veterans and small business concerns owned and controlled by veterans (in this section referred to as the 'task force').

''(2) MEMBERSHIP.—The members of the task force shall include—

''(A) the Administrator, who shall serve as chairperson of the task force;

''(B) a representative from—

''(i) the Department of Veterans Affairs;

''(ii) the Department of Defense;

''(iii) the Administration (in addition to the Administrator);

''(iv) the Department of Labor;

''(v) the General Services Administration; and

''(vi) the Office of Management and Budget; and

''(C) 4 representatives of veterans service organizations, selected by the President.

''(3) DUTIES.—The task force shall coordinate administrative and regulatory activities and develop proposals relating to—

''(A) increasing capital access and capacity of small business concerns owned and controlled by service-disabled veterans and small business concerns owned and controlled by veterans through loans, surety bonding, and franchising;

''(B) increasing access to Federal contracting and subcontracting for small business concerns owned and controlled by service-disabled veterans and small business concerns owned and controlled by veterans through increased use of contract reservations, expanded mentor-protégé assistance, and matching such small business concerns with contracting opportunities;

''(C) increasing the integrity of certifications of status as a small business concern owned and controlled by service-disabled veterans or a small business concern owned and controlled by veterans;

''(D) reducing paperwork and administrative burdens on veterans in accessing business development and entrepreneurship opportunities; and

''(E) making other improvements relating to the support for veterans business development by the Federal Government.

''(4) REPORTING.—The task force shall submit an annual report regarding its activities and proposals to—

''(A) the Committee on Small Business and Entrepreneurship and the Committee on Veterans' Affairs of the Senate; and

''(B) the Committee on Small Business and the Committee on Veterans' Affairs of the House of Representatives.''.

SEC. 103. PERMANENT EXTENSION OF SBA ADVISORY COMMITTEE ON VETERANS BUSINESS AFFAIRS.

(a) ASSUMPTION OF DUTIES.—Section 33 of the Small Business Act (15 U.S.C. 657c) is amended—

(1) by striking subsection (h); and

(2) by redesignating subsections (i) through (k) as subsections (h) through (j), respectively.

(b) PERMANENT EXTENSION OF AUTHORITY.—Section 203 of the Veterans Entrepreneurship and Small Business Development Act of 1999 (15 U.S.C. 657b note) is amended by striking subsection (h).

TITLE II—NATIONAL RESERVIST ENTERPRISE TRANSITION AND SUSTAINABILITY

SEC. 201. SHORT TITLE.

This title may be cited as the ''National Reservist Enterprise Transition and Sustainability Act of 2007''.

SEC. 202. PURPOSE.

The purpose of this title is to establish a program to—

(1) provide managerial, financial, planning, development, technical, and regulatory assistance to small business concerns owned and operated by Reservists;

(2) provide managerial, financial, planning, development, technical, and regulatory assistance to the temporary heads of small business concerns owned and operated by Reservists;

(3) create a partnership between the Small Business Administration, the Department of Defense, and the Department of Veterans Affairs to assist small business concerns owned and operated by Reservists;

(4) utilize the service delivery network of small business development centers, women's business centers, Veterans Business Outreach Centers, and centers operated by the National Veterans Business Development Corporation to expand the access of small business concerns owned and operated by Reservists to programs providing business management, development, financial, procurement, technical, regulatory, and marketing assistance;

(5) utilize the service delivery network of small business development centers, women's business centers, Veterans Business Outreach Centers, and centers operated by the National Veterans Business Development Corporation to quickly respond to an activation of Reservists that own and operate small business concerns; and

(6) utilize the service delivery network of small business development centers, women's business centers, Veterans Business Outreach Centers, and centers operated by the National Veterans Business Development Corporation to assist Reservists that own and operate small business concerns in preparing for future military activations.

SEC. 203. NATIONAL GUARD AND RESERVE BUSINESS ASSISTANCE.

(a) IN GENERAL.—Section 21(a)(1) of the Small Business Act (15 U.S.C. 648(a)(1)) is amended by inserting ''any small business development center, women's business center, Veterans Business Outreach Center, or center operated by the National Veterans Business Development Corporation providing enterprise transition and sustainability assistance to Reservists under section 37,'' after ''any women's business center operating pursuant to section 29,''.

(b) PROGRAM.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 37 (15 U.S.C. 631 note) as section 38; and

(2) by inserting after section 36 the following:

''SEC. 37. RESERVIST ENTERPRISE TRANSITION AND SUSTAINABILITY.

''(a) IN GENERAL.—The Administrator shall establish a program to provide business planning assistance to small business concerns owned and operated by Reservists.

''(b) DEFINITIONS.—In this section—

''(1) the terms 'activated' and 'activation' mean having received an order placing a Reservists on active duty, as defined by section 101(1) of title 10, United States Code;

''(2) the term 'Administrator' means the Administrator of the Small Business Administration, acting through the Associate Administrator for Small Business Development Centers;

''(3) the term 'Association' means the association established under section 21(a)(3)(A);

''(4) the term 'eligible applicant' means—

''(A) a small business development center that is accredited under section 21(k);

''(B) a women's business center;

''(C) a Veterans Business Outreach Center that receives funds from the Office of Veterans Business Development; or

''(D) an information and assistance center operated by the National Veterans Business Development Corporation under section 33;

''(5) the term 'enterprise transition and sustainability assistance' means assistance provided by an eligible applicant to a small business concern owned and operated by a Reservist, who has been activated or is likely to be activated in the next 12 months, to develop and implement a business strategy for the period while the owner is on active duty and 6 months after the date of the return of the owner;

''(6) the term 'Reservist' means any person who is—

''(A) a member of a reserve component of the Armed Forces, as defined by section 10101 of title 10, United States Code; and

''(B) on active status, as defined by section 101(d)(4) of title 10, United States Code;

''(7) the term 'small business development center' means a small business development center as described in section 21 of the Small Business Act (15 U.S.C. 648);

''(8) the term 'State' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and Guam; and

''(9) the term 'women's business center' means a women's business center described in section 29 of the Small Business Act (15 U.S.C. 656).

''(c) AUTHORITY.—The Administrator may award grants, in accordance with the regulations developed under subsection (d), to eligible applicants to assist small business concerns owned and operated by Reservists by—

''(1) providing management, development, financing, procurement, technical, regulatory, and marketing assistance;

''(2) providing access to information and resources, including Federal and State business assistance programs;

''(3) distributing contact information provided by the Department of Defense regarding activated Reservists to corresponding State directors;

''(4) offering free, one-on-one, in-depth counseling regarding management, development, financing, procurement, regulations, and marketing;

''(5) assisting in developing a long-term plan for possible future activation; and

''(6) providing enterprise transition and sustainability assistance.

''(d) RULEMAKING.—

''(1) IN GENERAL.—The Administrator, in consultation with the Association and after notice and an opportunity for comment, shall promulgate regulations to carry out this section.

''(2) DEADLINE.—The Administrator shall promulgate final regulations not later than 180 days of the date of enactment of the Military Reservist and Veteran Small Business Reauthorization and Opportunity Act of 2007.

''(3) CONTENTS.—The regulations developed by the Administrator under this subsection shall establish—

''(A) procedures for identifying, in consultation with the Secretary of Defense, States that have had a recent activation of Reservists;

''(B) priorities for the types of assistance to be provided under the program authorized by this section;

''(C) standards relating to educational, technical, and support services to be provided by a grantee;

''(D) standards relating to any national service delivery and support function to be provided by a grantee;

''(E) standards relating to any work plan that the Administrator may require a grantee to develop; and

''(F) standards relating to the educational, technical, and professional competency of any expert or other assistance provider to whom a small business concern may be referred for assistance by a grantee.

''(e) APPLICATION.—

''(1) IN GENERAL.—Each eligible applicant desiring a grant under this section shall submit an application to the Administrator at such time, in such manner, and accompanied by such information as the Administrator may reasonably require.

''(2) CONTENTS.—Each application submitted under paragraph (1) shall describe—

''(A) the activities for which the applicant seeks assistance under this section; and

''(B) how the applicant plans to allocate funds within its network.

''(3) MATCHING NOT REQUIRED.—Subparagraphs (A) and (B) of section 21(a)(4), requiring matching funds, shall not apply to grants awarded under this section.

''(f) AWARD OF GRANTS.—

''(1) DEADLINE.—The Administrator shall award grants not later than 60 days after the promulgation of final rules and regulations under subsection (d).

''(2) AMOUNT.—Each eligible applicant awarded a grant under this section shall receive a grant in an amount—

''(A) not less than $75,000 per fiscal year; and

''(B) not greater than $300,000 per fiscal year.

''(g) REPORT.—

''(1) IN GENERAL.—The Comptroller General of the United States shall—

''(A) initiate an evaluation of the program not later than 30 months after the disbursement of the first grant under this section; and

''(B) submit a report not later than 6 months after the initiation of the evaluation under paragraph (1) to—

''(i) the Administrator;

''(ii) the Committee on Small Business and Entrepreneurship of the Senate; and

''(iii) the Committee on Small Business of the House of Representatives.

''(2) CONTENTS.—The report under paragraph (1) shall—

''(A) address the results of the evaluation conducted under paragraph (1); and

''(B) recommend changes to law, if any, that it believes would be necessary or advisable to achieve the goals of this section.

''(h) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to carry out this section—

''(A) $5,000,000 for the first fiscal year beginning after the date of enactment of the

Military Reservist and Veteran Small Business Reauthorization and Opportunity Act of 2007; and

''(B) $5,000,000 for each of the 3 fiscal years following the fiscal year described in subparagraph (A).

''(2) LIMITATION ON USE OF OTHER FUNDS.—The Administrator may carry out the program authorized by this section only with amounts appropriated in advance specifically to carry out this section.''.

TITLE III—RESERVIST PROGRAMS

SEC. 301. RESERVIST PROGRAMS.

(a) APPLICATION PERIOD.—Section 7(b)(3)(C) of the Small Business Act (15 U.S.C. 636(b)(3)(C)) is amended by striking ''90 days'' and inserting ''1 year''.

(b) PRE-CONSIDERATION PROCESS.—

(1) DEFINITION.—In this subsection, the term ''eligible Reservist'' means a Reservist who—

(A) has not been ordered to active duty;

(B) expects to be ordered to active duty during a period of military conflict; and

(C) can reasonably demonstrate that the small business concern for which that Reservist is a key employee will suffer economic injury in the absence of that Reservist.

(2) ESTABLISHMENT.—Not later than 6 months after the date of enactment of this Act, the Administrator shall establish a preconsideration process, under which the Administrator—

(A) may collect all relevant materials necessary for processing a loan to a small business concern under section 7(b)(3) of the Small Business Act (15 U.S.C. 636(b)(3)) before an eligible Reservist employed by that small business concern is activated; and

(B) shall distribute funds for any loan approved under subparagraph (A) if that eligible Reservist is activated.

(c) OUTREACH AND TECHNICAL ASSISTANCE PROGRAM.—

(1) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, the Administrator, in consultation with the Secretary of Veterans Affairs and the Secretary of Defense, shall develop a comprehensive outreach and technical assistance program (in this subsection referred to as the ''program'') to—

(A) market the loans available under section 7(b)(3) of the Small Business Act (15 U.S.C. 636(b)(3)) to Reservists, and family members of Reservists, that are on active duty and that are not on active duty; and

(B) provide technical assistance to a small business concern applying for a loan under that section.

(2) COMPONENTS.—The program shall—

(A) incorporate appropriate websites maintained by the Administration, the Department of Veterans Affairs, and the Department of Defense; and

(B) require that information on the program is made available to small business concerns directly through—

(i) the district offices and resource partners of the Administration, including small business development centers, women's business centers, and the Service Corps of Retired Executives; and

(ii) other Federal agencies, including the Department of Veterans Affairs and the Department of Defense.

(3) REPORT.—

(A) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, and every 6 months thereafter until the date that is 30 months after such date of enactment, the Administrator shall submit to Congress a report on the status of the program.

(B) CONTENTS.—Each report submitted under subparagraph (A) shall include—

(i) for the 6-month period ending on the date of that report—

(I) the number of loans approved under section 7(b)(3) of the Small Business Act (15 U.S.C. 636(b)(3));

(II) the number of loans disbursed under that section; and

(III) the total amount disbursed under that section; and

(ii) recommendations, if any, to make the program more effective in serving small business concerns that employ Reservists.

SEC. 302. RESERVIST LOANS.

(a) IN GENERAL.—Section 7(b)(3)(E) of the Small Business Act (15 U.S.C. 636(b)(3)(E)) is amended by striking ''$1,500,000'' each place such term appears and inserting ''$2,000,000''.

(b) LOAN INFORMATION.—

(1) IN GENERAL.—The Administrator and the Secretary of Defense shall develop a joint website and printed materials providing information regarding any program for small business concerns that is available to veterans or Reservists.

(2) MARKETING.—The Administrator is authorized—

(A) to advertise and promote the program under section 7(b)(3) of the Small Business Act jointly with the Secretary of Defense and veterans' service organizations; and

(B) to advertise and promote participation by lenders in such program jointly with trade associations for banks or other lending institutions.

SEC. 303. NONCOLLATERALIZED LOANS.

Section 7(b)(3) of the Small Business Act (15 U.S.C. 636(b)(3)) is amended by adding at the end the following:

''(G)(i) Notwithstanding any other provision of law, the Administrator may make a loan under this paragraph of not more than $50,000 without collateral.

''(ii) The Administrator may defer payment of principal and interest on a loan described in clause (i) during the longer of—

''(I) the 1-year period beginning on the date of the initial disbursement of the loan; and

''(II) the period during which the relevant essential employee is on active duty.''.

SEC. 304. LOAN PRIORITY.

Section 7(b)(3) of the Small Business Act (15 U.S.C. 636(b)(3)), as amended by this Act, is amended by adding at the end the following:

''(H) The Administrator shall give priority to any application for a loan under this paragraph and shall process and make a determination regarding such applications prior to processing or making a determination on other loan applications under this subsection, on a rolling basis.''.

SEC. 305. RELIEF FROM TIME LIMITATIONS FOR VETERAN-OWNED SMALL BUSINESSES.

Section 3(q) of the Small Business Act (15 U.S.C. 632(q)) is amended by adding at the end the following:

''(5) RELIEF FROM TIME LIMITATIONS.—

''(A) IN GENERAL.—Any time limitation on any qualification, certification, or period of participation imposed under this Act on any program available to small business concerns shall be extended for a small business concern that—

''(i) is owned and controlled by—

''(I) a veteran who was called or ordered to active duty under a provision of law specified in section 101(a)(13)(B) of title 10, United States Code, on or after September 11, 2001; or

''(II) a service-disabled veteran who became such a veteran due to an injury or illness incurred or aggravated in the active military, naval, or air service during a period of active duty pursuant to a call or order to active duty under a provision of law referred to in subclause (I) on or after September 11, 2001; and

''(ii) was subject to the time limitation during such period of active duty.

''(B) DURATION.—Upon submission of proper documentation to the Administrator, the extension of a time limitation under subparagraph (A) shall be equal to the period of time that such veteran who owned or controlled such a concern was on active duty as described in that subparagraph.''.

SEC. 306. SERVICE-DISABLED VETERANS.

Not later than 180 days after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report describing—

(1) the types of assistance needed by service-disabled veterans who wish to become entrepreneurs; and

(2) any resources that would assist such service-disabled veterans.

SEC. 307. STUDY ON OPTIONS FOR PROMOTING POSITIVE WORKING RELATIONS BETWEEN EMPLOYERS AND THEIR RESERVE COMPONENT EMPLOYEES.

(a) STUDY REQUIRED.—The Secretary of Defense shall conduct a study on options for promoting positive working relations between employers and Reserve component employees of such employers, including assessing options for improving the time in which employers of Reservists are notified of the call or order of such members to active duty other than for training.

(b) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of Defense shall submit to the appropriate committees of Congress a report on the study conducted under subsection (a).

(2) CONTENTS.—The report submitted under paragraph (1) shall—

(A) provide a quantitative and qualitative assessment of—

(i) what measures, if any, are being taken to inform Reservists of the obligations and responsibilities of such members to their employers;

(ii) how effective such measures have been; and

(iii) whether there are additional measures that could be taken to promote positive working relations between Reservists and their employers, including any steps that could be taken to ensure that employers are timely notified of a call to active duty; and

(B) assess whether there has been a reduction in the hiring of Reservists by business concerns because of—

(i) any increase in the use of Reservists after September 11, 2001; or

(ii) any change in any policy of the Department of Defense relating to Reservists after September 11, 2001.

(c) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Committee on Armed Services and the Committee on Small Business and Entrepreneurship of the Senate; and

(2) the Committee on Armed Services and the Committee on Small Business of the House of Representatives.

Ms. SNOWE. Mr. President, as ranking member of the Senate Committee on Small Business and Entrepreneurship, I rise today, with Senator KERRY, to introduce the Military Reservist and Veteran Small Business Reauthorization and Opportunity Act of 2007. This bill improves the programs and resources available to our Nation's veteran entrepreneurs and the small businesses that employ our veterans.

Thank you, Senator KERRY, for working so closely with me on this bipartisan legislation and for your long

standing commitment to our Nation's veterans. This bipartisan measure contains key provisions from both S. 904, the Veterans Small Business Opportunity Act of 2007, which I introduced in March, and Senator KERRY's S. 1005, Military Reservist and Veteran Small Business Reauthorization Act of 2007. It is truly critical that all of our fellow Senators, on both sides of the aisle, continue to collaborate on our veterans' behalf and support swift passage of this legislation.

In October 2003, I requested a Congressional Budget Office Report entitled ''The Effects of Reserve Call-Ups on Civilian Employers.'' That report, issued in May 2005, highlighted the problems that our nation's small businesses face when their owners or key employees are ''called up'' to serve in defense of our Nation. In response to that report's findings, I offered two bills to improve the resources and programs targeted to these veterans and small businesses. Those bills, S. 1014, the Supporting our Patriotic Businesses Act, and S. 3122, the Patriot Loan Act of 2006, were the genesis of S. 904 that I introduced earlier this year. Similarly, Senator KERRY has an established history of working on these issues, and the Small Business Committee on January 31 held its first hearing of the 110th Congress regarding programs to assist veterans and reservists.

In recent years, our Nation's Guard and Reserve forces, which I collectively refer to as reservists, have selflessly answered the call to duty in both Iraq and Afghanistan. In fact, there have been over 425,000 reservist deployments, including nearly 3,000 from my home State of Maine, to those two countries since September 11, 2001. With the majority of nongovernmental reservists either being self-employed or working for small businesses, it is easy to see that veteran entrepreneurs and small businesses are profoundly and disproportionately impacted by these deployments.

As our reservists answer our Nation's call to duty, we must similarly fulfill our obligations to help protect their livelihood back home. In addition to addressing this responsibility, our legislation includes other broad provisions to help our Nation's veteran entrepreneurs across the board.

First, our bill makes vast improvements to the Small Business Administration's, SBA, Military Reservist Economic Disaster Loan, MREIDL, program. The MREIDL program provides funds to businesses to meet ordinary and necessary business expenses that they could have made, if not for the deployment of a reservist who is one of their essential employees.

Specifically, the bill establishes a preapplication process so businesses can be prepared, in advance, to apply for an MREIDL and includes a provision allowing a businesses up to 1 year, as opposed to 90 days, to apply. The legislation increases, from $1.5 million to $2 million, the maximum MREIDL loan a business can take and raises, from $5,000 to $50,000, the level of uncollateralized MREIDL loans available to businesses. Finally, our changes to the MREIDL program would allow the SBA Administrator to defer the payment of principal and interest while the employee is deployed.

Second, the measure also includes a national reservist enterprise transition and sustainability provision. This provision would allow the SBA to award grants to entities that assist businesses with preparing and implementing a business strategy to cover the period of time that the owner is called-up on active duty through 6 months after that owner's date of return.

Third, our bill would create a new Interagency Task Force to coordinate the efforts of Federal agencies necessary to increase capital and business development opportunities for, and increase the award of Federal contracting opportunities to, small businesses owned and controlled by veterans. This type of coordinated and targeted effort by our Federal Government is long overdue.

Finally, today's legislation would increase funding for the SBA's Office of Veterans Business Development, and permanently extend the duties and responsibilities of the SBA Advisory Committee on Veterans Business Affairs. It would also allow small businesses owned and operated by veterans to extend their SBA program participation time limitations by the duration of their owner's deployment.

While I have not provided an exhaustive list of this bill's provisions and all that it would do, a simple review of the legislation will reveal that it goes far toward helping our nation's veteran entrepreneurs and our patriotic small businesses that employ reservists, despite the risk that deployments entail. Our legislation is not a silver bullet, but it is certainly a step in the right direction. To that end, I urge my colleagues to join us in support of this bill.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 269—EXPRESSING THE SENSE OF THE SENATE THAT THE CITIZENS' STAMP ADVISORY COMMITTEE SHOULD RECOMMEND TO THE POSTMASTER GENERAL THAT A COMMEMORATIVE POSTAGE STAMP BE ISSUED IN HONOR OF FORMER UNITED STATES REPRESENTATIVE BARBARA JORDAN

Mr. LAUTENBERG (for himself, Mr. CORNYN, Mr. HATCH, Mr. MENENDEZ, Mr. SPECTER, Mr. LEVIN, Mrs. CLINTON, Mr. OBAMA, Ms. MIKULSKI, Mr. DURBIN, Mr. BIDEN, Mrs. HUTCHISON, Mr. DODD, Mrs. BOXER, and Ms. LANDRIEU) submitted the following resolution; which was referred to the Committee on Homeland Security and Governmental Affairs:

S. RES. 269

Whereas, in 1966, Barbara Jordan became the first African American since 1883 to serve in the Texas Senate, where she served with distinction until 1972;

Whereas Barbara Jordan became the first African American United States Representative from Texas when she won election to represent Texas's 18th District in the United States House of Representatives in 1972;

Whereas, from 1979 to 1996, Barbara Jordan served as a distinguished professor at the University of Texas Lyndon B. Johnson School of Public Affairs, where she also held the Lyndon B. Johnson Centennial Chair in National Policy;

Whereas President Bill Clinton awarded Barbara Jordan the Presidential Medal of Freedom, the Nation's highest civilian honor, in August 1994; and

Whereas Barbara Jordan was a pioneer whose devotion to civil rights for all people in the United States resonates to this day: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Citizens' Stamp Advisory Committee should recommend to the Postmaster General that a commemorative postage stamp be issued in honor of former United States Representative Barbara Jordan.

Mr. LAUTENBERG. Mr. President, I submit today a resolution calling on former Congresswoman Barbara Jordan to be honored with a commemorative stamp. Congresswoman Jordan was the first African American and the first woman to deliver a keynote address at the Democratic National Convention, which was delivered exactly 31 years ago today.

Congresswoman Barbara Jordan was a pioneer whose devotion to civil rights certainly warrants recognition. She was born in Houston on February 21, 1936, educated in Houston's public schools, and received a B.A. in political science and history from Texas Southern University in 1956. Congresswoman Jordan graduated from Boston University School of Law in 1959, after which she was admitted to the Massachusetts and Texas bars.

In 1966, Congresswoman Jordan became the first African American since 1883 to serve in the Texas Senate, where she served with distinction until 1972. That year, she won election to represent Texas' 18th District in the U.S. House of Representatives and became the State's first African-American Representative. In August 1994, President Bill Clinton awarded Congresswoman Jordan the Medal of Freedom, the Nation's highest civilian honor.

Overcoming some of the most difficult odds imaginable, Congresswoman Jordan always fought hard for what she believed in, devoting herself to improving the quality of life for all Americans. I am pleased that the Senate is considering this resolution which is cosponsored by 14 other Senators, including the 2 distinguished Senators from Texas, Congresswoman Jordan's home State.