instrument of ratification, and shall be binding on the President:

(1) INDIGENOUS INHABITANTS.—The United States understands that the term ''indigenous inhabitants'' as used in Article I means a permanent resident of a village within a subsistence harvest area, regardless of race. In its implementation of Article I, the United States also understands that where it is appropriate to recognize a need to assist indigenous inhabitants in meeting nutritional and other essential needs, or for the teaching of cultural knowledge to or by their family members, there may be cases where, with the permission of the village council and the appropriate permits, immediate family members of indigenous inhabitants may be invited to participate in the customary spring and summer subsistence harvest.

(b) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(c) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

TEXT OF THE COMMITTEE RECOMMENDED RESOLUTION OF ADVICE AND CONSENT

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocol Between the United States and Canada Amending the 1916 Convention for the Protection of Migratory Birds in Canada and the United States, with Related Exchange of Notes, signed at Washington on December 14, 1995 (Treaty Doc. 104–28), subject to the understanding of subsection (a), the declaration of subsection (b), and the proviso of subsection (c).

(a) UNDERSTANDING.—The Senate's advice and consent is subject to the following understanding, which shall be included in the instrument of ratification, and shall be binding on the President:

(1) INDIGENOUS INHABITANTS.—The United States understands that the term ''indigenous inhabitants'' as used in Article II(4)(b) means a permanent resident of a village within a subsistence harvest area, regardless of race. In its implementation of Article II(4)(b), the United States also understands that where it is appropriate to recognize a need to assist indigenous inhabitants in meeting nutritional and other essential needs, or for the teaching of cultural knowledge to or by their family members, there may be cases where, with the permission of the village council and the appropriate permits, immediate family members of indigenous inhabitants may be invited to participate in the customary spring and summer subsistence harvest.

(b) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(c) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President.

(1) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

Ex. F, 96–1 U.S.-Mexico Treaty On Maritime Boundaries (Exec. Rept. 105–4).

TEXT OF THE COMMITTEE-RECOMMENDED RESOLUTION OF ADVICE AND CONSENT

Resolved, (two-thirds of the Senators present concurring therein), Tha the Senate advise and consent to the ratification of the Treaty on Maritime boundaries between the United States of America and the United Mexican States, signed at Mexico City on May 4, 1978 (Ex. F, 96–1), subject to the declaration of subsection (a), and the proviso of subsection (b).

(a) DECLARATION.—The Senate's advice and consent is subject to the following declaration, which shall be binding on the President:

91) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISO.—The resolution of ratification is subject to the following proviso, which shall be binding on the President:

(1) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HATCH:

S. 1304. A bill for the relief of Belinda McGregor; to the Committee on the Judiciary.

By Mr. GRAMM (for himself, Mr. LIEBERMAN, Mr. BINGAMAN, and Mr. DOMENICI):

S. 1305. A bill to invest in the future of the United States by doubling the amount authorized for basic scientific, medical, and pre-competitive engineering research; to the Committee on Labor and Human Resources.

By Mr. INHOFE:

S. 1306. A bill to prohibit the conveyance of real property at Long Beach Naval Station, California, to China Ocean Shipping Company; to the Committee on Armed Services.

By Mr. DASCHLE:

S. 1307. A bill to amend the Employee Retirement Income Security act of 1974 with respect to rules governing litigation contesting termination or reduction of retiree health benefits and to extend continuation coverage to retirees and their dependents; to the Committee on Labor and Human Resources.

By Mr. BREAUX (for himself and Mr. KERREY):

S. 1308. A bill to amend the Internal Revenue Code of 1986 to ensure taxpayer confidence in the fairness and independence of the taxpayer problem resolution process by providing a more independently operated Office of the Taxpayer Advocate, and for other purposes; to the Committee on Finance.

By Mr. KERRY (for himself, Mr. BOND, Mr. ROCKEFELLER, Mr. CHAFEE, Mr. KENNEDY, Mr. HOLLINGS, Ms. LANDRIEU, Mr. WELLSTONE, Ms. MOSELEY-BRAUN, Mrs. BOXER, Mr. TORRICELLI, and Mr. JOHNSON):

S. 1309. A bill to provide for the health, education, and welfare of children under 6 years of age; to the Committee on Labor and Human Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SPECTER:

S. Con. Res. 56. A concurrent resolution authorizing the use of the rotunda of the Capitol for the ceremony honoring Leslie Townes (Bob) Hope by conferring upon him the status of an honorary veteran of the Armed Forces of the United States; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATCH:

S. 1304. A bill for the relief of Belinda McGregor; to the Committee on the Judiciary.

PRIVATE RELIEF LEGISLATION

Mr. HATCH. Mr. President, I am today introducing a private relief bill on behalf of Belinda McGregor, the beloved sister of one of my constituents, Rosalinda Burton.

Mistakes are made everyday, Mr. President, and when innocent people suffer severe consequences as a result of these mistakes, something ought to be done to remedy the situation.

In the particular case of Ms. Belinda McGregor, the federal bureaucracy made a mistake—a mistake which cost Ms. McGregor dearly and it is now time to correct this mistake. Unfortunately, the only way to provide relief is through Congressional action.

Belinda McGregor, a citizen of the United Kingdom, filed an application for the 1995 Diversity Visa program. Her husband, a citizen of Ireland, filed a separate application at the same time. Ms. McGregor's application was among those selected to receive a diversity visa. When the handling clerk at the National Visa Center received the application, however, the clerk erroneously replaced Ms. McGregor's name in the computer with that of her husband.

As a result, Ms. McGregor was never informed that she had been selected and never provided the requisite information. The mistake with respect to

Ms. McGregor's husband was caught, but not in time for Ms. McGregor to meet the September, 1995 deadline. Her visa number was given to another applicant.

In short, Ms. McGregor was unfairly denied the 1995 diversity visa that was rightfully hers due to a series of errors by the National Visa Center. As far as I know, these facts are not disputed.

Unfortunately, the Center does not have the legal authority to rectify its own mistake by simply granting Ms. McGregor a visa out of a subsequent year's allotment. Thus, a private relief bill is needed in order to see that Ms. McGregor gets the visa to which she was clearly entitled to in 1995.

Mr. President, I have received a very compelling letter from Rosalinda Burton of Cedar Hills, UT which I am placing in the RECORD. Ms. Burton is Ms. McGregor's sister and she described to me the strong relationship that she and her sister have and the care that her sister provided when Ms. Burton was seriously injured in a 1993 car accident.

I hope that the Senate can move forward on this bill expeditiously. Ms. McGregor was the victim of a simple and admitted bureaucratic snafu. The Senate ought to move swiftly to correct this injustice.

Mr. President, I am also including in the record additional relevant correspondence which documents the background of this case.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

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

CEDAR HILLS, UT,
September 23, 1997.

Hon. ORRIN HATCH,
U.S. Senate.

DEAR SENATOR HATCH. This is one of the many endless attempts to seek fairness and justification regarding a very unique and still unresolved case pertaining to the future of my beloved sister, Belinda McGregor.

This is a plea on my part for you to please allow me the opportunity to humbly express in this letter, my deepest concern which is also personally shared by Senator Edward Kennedy.

It would be a challenge to explain what once stated as ''the dream come true'' for my sister, Belinda, on to paper, but I hope you will grant me a moment of your time to read this attempt to seek your help, as my Senator.

Towards the end of 1993 I was the victim of a very serious car accident and I could not have coped without the support of my church and the tremendous help of my beloved sister, Belinda, after which she expressed a strong desire to come and live in Utah, to be close to me, her only sister. In 1994, therefore, a dream came true when, after applying for the DV1 Program, which is held yearly, my sister's husband David, was informed by the National Visa Center, that he was selected in the 1995 Diversity Visa Lottery Program. Finally, my sister had a chance to live near her family and friends. Belinda, who is Austrian/British, then working for the ''United Nations Drug Control Programme'' (UNDCP) at the UN Headquarters in Vienna, Austria, was so thrilled to be informed of the good news. Therefore, all the necessary documents were provided to the National Visa Center in New Hampshire.

Her patience was put to the test, as she did not hear from anybody during a lengthy period of time. She contacted the American Embassy in Vienna from time to time, but to no avail. She then tried contacting various offices and people without success and as a last resort made contract with Senator Edward Kennedy's office, who kindly looked into her case. She was so happy that someone took the time to check into ''the ongoings of the National Visa Center'' and you can imagine the surprise when Ms. Patricia First (Senator Kennedy's staff) contacted my sister to let her know the outcome of their investigation (Attachment [1]). I am also attaching a copy of Senator Kennedy's letter to Ms. Mary A. Ryan, Assistant Secretary for Consular Affairs, United States Department of State. (Attachment [2]), which explains very clearly what actually had happened. Mr. McNamara, then Director of the National Visa Center, addressed his reply to Senator Kennedy (Attachment [3]). As my sister always wanted to come live and work near me, and always believed very strongly in fairness, she was convinced that the U.S. Government would then do anything possible to find a resolution to this predicament. By this time it was already April 1997 and being quite a determined lady due to her 3 year struggle, my sister, therefore, got in touch (via e-mail) with the newly appointed Director of the National Visa Center, Ms. Josefina Papendick. She explained the whole situation, sent copies of previous correspondence to Ms. Papendick but was always told (Attachments [4] [5]) that unfortunately there were no more visa numbers available as the deadline for the 1995 Diversity Visa Lottery was 30 September 1995. This was indeed a shock and disappointment that no effort or willingness was shown to rectify the matter, especially as the National Visa Center acknowledged their own mistakes. The McGregor family did everything within their power—submitted all necessary papers in a timely fashion, but due to serious errors made by the National Visa Center, were disqualified and their numbers were given to someone else. She realizes of course that she is only a minority but nevertheless—we all feel that injustice has been done.

This injustice prevented my sister in building her future here with me. For one tiny moment this special gift was placed in her hands, to build her own world, but was quickly taken, due to these errors made. As advised, my sister has since then applied every year for the DV1 Program under her Austrian Nationality.

She always worked in an international environment, her previous employment being with the drug control program of the United Nations and was confident her experience and skills would be invaluable and beneficial to her newly adopted homeland. In preparation for her invitation to immigrate, she sought independence immediately and acquired a secretarial position, which was put on hold for her. Unfortunately and with deep regret she had to abandon the offer when she was informed of the errors that were made.

She has been in contact with the honorable Senator Kennedy ever since and his kind office suggested that I contact you and maybe between you and Senator Kennedy this problem could be looked into and resolved.

The future happiness of my sister is as important as my own, and I hope and pray with all my heart, her tears of sadness will, via your understanding, help and determination, turn those tears to joy. Thank you for listening, dear Senator Hatch.

Yours sincerely,

ROSALINDA BURTON.

PS: Should you need any further information, please do not hesitate to contact Belinda at my address. Thank you.

FOOTNOTES

[1] Ms. Patricia First's (Senator Kennedy's office) e-mail to Belinda McGregor

[2] Senator Edward Kennedy's letter to Mary A. Ryan, Assistant Secretary for Consular Affairs.

[3] Mr. McNamara's reply to Senator Edward Kennedy.

[4] Ms. Josefina Papendick's letter to Belinda McGregor.

[5] Ms. Josefina Papendick's letter to Belinda McGregor.

ATTACHMENT ONE

FEBRUARY 15, 1996.

DEAR MS. MCGREGOR: I have received an answer from the State Department on the specifics of both your and your husband's diversity visa applications. It appears that the Department of State and National Visa Center grossly mishandled your applications. Our office has sent a letter to Mary Ryan, Assistant Secretary of Consular Affairs for the State Department. Ms. Ryan's Section oversees the visa process. I have attached the letter to Ms. Ryan which details the mistakes made by the National Visa Center in processing your applications.

The ultimate result seems to be that you were unfairly denied a diversity visa to which you were entitled. Please be assured our office is doing everything we can to find an administrative solution to your case. We are awaiting a response from the State Department, and I will communicate their response to you as soon as I receive it.

Again, I urge you to apply for the 1997 Diversity Visa Lottery, and I am sorry I cannot delivery better news. Please feel free to contact me should you have any questions. I can be reached at (202) 224–7878. I will update you as soon as I have any new information.

Sincerely,

PATRICIA FIRST.

ATTACHMENT TWO

U.S. SENATE,
Washington, DC, February 16, 1996.

MARY A. RYAN,
Assistant Secretary, Consular Affairs,
U.S. Department of State,
Washington, DC.

RE: 1995 Diversity Visa Lottery
Applicants: Belinda McGregor, David John McGregor
Case No: 95–EU–00020036

DEAR MS. RYAN: I am writing to request your assistance in resolving the above-referenced case. I am deeply concerned about the way this case was handled by the Department of State and the National Visa Center in New Hampshire.

Belinda McGregor, a citizen of the United Kingdom, and her husband, David John McGregor, a citizen of Ireland, each filed a separate application for the 1995 Diversity Visa Lottery program. As you know, although Belinda McGregor was born in the United Kingdom, she is eligible for the diversity program through her husband's Irish citizenship.

According to your visa office and the National Visa Center, Belinda McGregor's application was among those chosen as eligible to receive a diversity visa. When the National Visa Center received Belinda McGregor's application, however, the clerk handling her case erroneously assumed Ms. McGregor, as a citizen of the United Kingdom, was ineligible for the diversity program. The clerk, in an apparent attempt to remedy the problem, replaced Belinda McGregor's name in the computer with that of her husband, David John McGregor.

The National Visa Center then sent David John McGregor a notice that his name had

been selected in the 1995 Diversity Visa Lottery Program, and listed the additional information Mr. McGregor needed to provide to be eligible for a diversity visa (including, *inter alia*, educational background and an affidavit of support). David John McGregor provided this information about himself to the National Visa Center in a timely fashion. The McGregor's, who currently live in Austria, heard nothing more about Mr. McGregor's diversity application until they asked my office to inquire into the status of the application. Belinda McGregor was never informed that her application had been selected in the diversity lottery.

Upon receiving Mr. McGregor's completed information, a second clerk at the National Visa Center discovered that Belinda McGregor's name had been improperly changed to David John McGregor in the computer. This clerk changed the name back to Belinda McGregor, and noted the receipt of Mr. McGregor's information. The clerk, however, failed to inform the McGregor's that Belinda McGregor was the diversity applicant selected in the lottery, and, therefore, the National Visa Center needed information on Belinda McGregor, instead of David John McGregor.

Having not received any information on Belinda McGregor by the diversity visa entitlement date, September 30, 1995, the National Visa Center disqualified Belinda McGregor's application and gave her visa number to another applicant.

It appears that Belinda McGregor was unfairly denied the 1995 diversity visa which was rightfully hers due to a series of errors made by the National Visa Center. A review by your office of procedures at the National Visa Center may be in order. And, I would greatly appreciate your help in finding a solution to the McGregor's case in light of the serious errors committed by the Center. Thank you for your consideration.

Sincerely,

EDWARD M. KENNEDY.

ATTACHMENT THREE

U.S. DEPARTMENT OF STATE,
NATIONAL VISA CENTER,
Portsmouth, NH, March 14, 1996.

DEAR SENATOR KENNEDY: I refer to your letter of February 16, to Ms. Mary A. Ryan, Assistant Secretary for Consular Affairs, regarding the Diversity Lottery application for Ms. Melinda McGregor.

The Immigration Act of 1990 provides for an annual Diversity Immigration Program, making available each year by random selection 55,000 permanent residence visas in the United States. Visas are apportioned among six geographic regions based on immigration rates over the last five years, with a greater number of visas going to regions with lower rates of immigration.

The National Visa Center (NVC) acknowledges the allegations made in your correspondence as true and correct. However, there are no visa numbers available as the deadline for the 1995 Diversity Lottery was September 30, 1995. Unfortunately, we are unable to correct the situation at this time. Ms. McGregor may wish to apply for any future lotteries.

We have reviewed this incident with our staff and have taken steps to ensure that this error will not be repeated in the future.

I hope this information is helpful. Please do not hesitate to contact me if I can be of assistance to you in this or any other matter.

Sincerely,

BRIAN M. MCNAMARA,
Director.

ATTACHMENT FOUR

U.S. DEPARTMENT OF STATE,
NATIONAL VISA CENTER
Portsmouth, NH, April 21, 1997.

DEAR MS. MCGREGOR: Thank you for your letter of April 14 regarding the Diversity Lottery applications filed on your and Mr. John McGregor's behalf.

Please note that as a citizen of United Kingdom you were not eligible to apply for DV-lottery program in 1995. However, as a citizen or Ireland, Mr. McGregor was eligible to apply for this program and you were a derivative beneficiary of his application. Mr. McGregor's case was chosen at random and entered into the computer system at the National Visa Center (NVC). We assigned lottery rank number 95–EU–00020036 to this application.

Unfortuantely, the deadline for the completion of the DV–95 was September 30, 1995. If you were not issued a visa by this date, the application for the 1995 program is no longer valid.

Your correspondence indicates that you believe you may be eligible for immigrant visa issuance under the provision for the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (Act 1996). However, this provision applies only to applicants who were residing in the U.S. and were unable to adjust their status. As you were residing outside the U.S. you are not eligible to be processed under the Act of 1996.

I hope this information is helpful. Please do not hesitate to contact me if I can be of further assistance to you in this or any other matter.

Sincerely.

JOSEFINA L. PAPENDICK,
Director.

ATTACHMENT FIVE

U.S. DEPARTMENT OF STATE,
NATIONAL VISA CENTER,
Portsmouth, NH, July 3, 1997.

Mrs. BELINDA MCGREGOR,
Bexleybeath, Kent, England.

DEAR MRS. MCGREGOR: I am replying to your e-mailed messages requesting a review of your DV–95 application. Since no paper file is still available after all this time, I am unable to provide any new or additional information regarding the processing of your case.

I recognize your sincere wish to immigrate to the United States. However, I very much regret to inform you that there is no provision of law or regulations that would allow your DV–95 application to be processed after September 30, 1995.

If you wish to pursue your interest in living and working in the United States, the diversity program is an option available every year for applicants (or their spouses) who were born in eligible countries. For individuals who are not eligible under any family immigrant visa category, there are other visa classifications, both non-immigrant and immigrant, in the employment or professional fields to apply for. For more information on these, I suggest you contact the American Embassy in London.

I am sorry that this response cannot be more encouraging. I wish you and your family the best of luck in the future.

Sincerely,

JOSEFINA L. PAPENDICK,
Director.

By Mr. GRAMM (for himself, Mr. LIEBERMAN, Mr. BINGAMAN, and Mr. DOMENICI):

S. 1305. A bill to invest in the future of the United States by doubling the amount authorized for basic scientific, medical, and precompetitive engineering research; to the Committee on Labor and Human Resources.

THE NATIONAL RESEARCH INVESTMENT ACT OF 1998

Mr. GRAMM. Mr. President, President Clinton has talked a lot about building a bridge to the 21st century and, our philosophical differences aside, I want to help him build that bridge—with Bucky Balls.

''Bucky Ball'' is the nickname for Buckminsterfullerene, a molecular form of carbon that was discovered by Prof's. Robert F. Curl and Richard E. Smalley of Rice University in Houston. They won the 1996 Nobel Prize in chemistry for this discovery.

Bucky Balls were named after R. Buckminster Fuller, the architect famous for his geodesic domes, because this new molecule closely resembles his designs. The silly nickname notwithstanding, their discovery was a breakthrough that will have scientific and practical applications across a wide variety of fields, from electrical conduction to the delivery of medicine into the human body.

Bucky Balls are impervious to radiation and chemical destruction, and can be joined to form tubes 10,000 times smaller than a human hair, yet 100 times stronger than steel. Use of the molecules is expected to establish a whole new class of materials for the construction of many products, from airplane wings and automobile bodies to clothing and packaging material.

This may be more than you want to know about molecular physics, but think about it this way: Because we encourage the kind of thinking that leads to discoveries like Bucky Balls, the United States stands as the economic, military, and intellectual leader of the world. We achieved this not by accident, but by a common, unswerving conviction that America's future was something to plan for, invest in, and celebrate. Using the products of imagination and hard work, from Winchester rifles and steam engines to space shuttles, Americans built a nation. We're still building, but for what we need in the next century, we're going to have to turn to people like Curl and Smalley to give us materials like Bucky Balls, and the Government has a role to play.

Unfortunately, over the past 30 years, the American Government has set different priorities. In 1965, 5.7 percent of the Federal budget was spent on nondefense research and development. Thirty-two years later in 1997, that figure has dropped by two-thirds. We spend a lot more money than we did in 1965, but we spend it on social programs, not science. We invest in the next elections, not the next generation.

The United States is underinvesting in basic research. That's right. The author of the landmark deficit reduction legislation known today as Gramm-Rudman supports the idea of the Government spending more money on something.

Not only do I support the idea of spending more on science and technology, I am today introducing a piece

of legislation to achieve that goal. I am pleased to be joined by Senators LIEBERMAN, DOMENICI, and BINGAMAN as I introduce S. 1305, the National Research Investment Act of 1998. This bill, an update of my earlier bill, S. 124, would double the amount spent by the Federal Government on basic scientific, medical, and precompetitive engineering research over 10 years from $34 billion in 1999 to $68 billion in 2008.

If we, as a country, do no restore the high priority once afforded science and technology in the Federal budget and increase Federal investment in research, it will be impossible to maintain the U.S. position as the technological leader of the world. Since 1970, Japan and Germany have spent a larger share of their national income on research and development than we have. We can no longer afford to fall behind. Expanding the Nation's commitment to research in basic science and medicine is a critically important investment in the future of our Nation. It means saying no to many programs with strong political support, but by expanding research we are saying yes to jobs and prosperity in the future.

I believe that if we want the 21st century to be a place worth building a bridge to, and if we want to maintain the U.S. position as the leader of the free world, then we need to restore the prominence that research and technology once had in the Federal budget. Our parent's generation fought two World Wars, overcame some of the worst economic conditions in the history of our Nation, and yet still managed to invest in America's future. We have an obligation to do at least an equal amount for our children and grandchildren.

Over the past 30 years, we have not lived up to this obligation, but it isn't too late to change our minds. The discovery of Bucky Balls is a testament to the resilience of the American scientific community. I believe that if we once again give scientists and researchers the support that they deserve, if we make the same commitment to our children's future that our parents made to ours, then the 21st century promises to be one of unlimited potential.

America is a great and powerful country for two reasons. First, we have had more freedom and opportunity than any other people who have ever lived and with that freedom and opportunity people like us have been able to achieve extraordinary things. Second, we have invested more in science than any people in history. Science has given us the tools and freedom has allowed us to put them to work. If we preserve freedom and invest in science, there is no limit on the future of the American people. I urge my colleagues to cosponsor this important legislation.

Mr. LIEBERMAN. Mr. President, the National Research Investment Act of 1998, which Senator GRAMM and I introduced this morning, is important legislation designed to reverse a downward trend in the Federal Government's allocation to science and engineering research. Although America currently enjoys a vibrant economy, with robust growth of over 4 percent and record low unemployment, we should pause for a moment to examine reasons which underlie our current prosperity.

In one of the few models agreed upon by a vast majority of economists, Dr. Robert Solow won the Nobel Prize for demonstrating that at least half of the total growth in the U.S. economy since the end of World War II is attributable to scientific and technological innovation. In other words, money spent to increase scientific and engineering knowledge represents an investment which pays rich dividends for America's future.

Dr. Solow's economic theory is the story of our Nation's innovation system—a system that has transformed scientific and technological innovation into a potent engine of economic growth for America. In broad terms, our innovation system consists of industrial, academic, and governmental institutions working together to generate new knowledge, new technologies, and people with the skills to move them effectively into the marketplace. Publicly funded science has shown to be surprisingly important to the innovation system. A new study prepared for the National Science Foundation found that 73 percent of the main science papers cited by American industrial patents in two recent years were based on domestic and foreign research financed by governments or nonprofit agencies.

Patents are the most visible expression of industrial creativity and the major way that companies and inventors are able to reap benefits from a bright idea. Even though industry now spends far more than the Federal Government on research, the fact that most patents result from research performed at universities, government labs, and other public agencies demonstrate our dependence on these institutions for the vast majority of economic activity. Such publicly funded science, the study concluded, has turned into a fundamental pillar of industrial advance.

Last week's awarding of the Nobel Prize to Dr. William Phillips from the Government's National Institute of Standards and Technology provides a wonderful example of how publicly funded science pays dividends. Dr. Phillips was honored for his work which used laser light to cool and trap individual atoms and molecules. I am told that the methods developed by Dr. Phillips and his coworkers may lead to the design of more precise atomic clocks for use in global navigation systems and atomic lasers, which may be used to manufacture very small electronic components for the next generation of computers. Dr. Phillips' achievement is the most visible recognition of the Department of Commerce's laboratory. Since 1901, however, the agency has quietly carried out research to develop accurate measurement and calibration techniques. The NIST laboratory, together with Commerce's technology programs, have greatly aided American business and earned our Nation billions of dollars in industries such as electrical power, semiconductor manufacturing, medical, agricultural, food processing, and building materials.

Yet, despite the demonstrated importance of publicly funded scientific research, the amount spent on science and engineering by the Federal Government is declining. Senator GRAMM has already noted that ''in 1965, 5.7 percent of the Federal budget was spent on nondefense research and development. Thirty two years later, that figure has dropped by two-thirds to 1.9 percent.'' If you believe as I do, that our current prosperity, intellectual leadership in science and medicine and the growth of entire new industries are directly linked to investments made 30 years ago, then you have got to ask where will this country be 30 years from now?

At the same time, it is likely that several countries, particularly in Asia, will exceed on a per capita basis, the U.S. expenditure in science. Japan is already spending more than we are in absolute dollars on nondefense research and development. This is an historic reversal. Germany, Singapore, Taiwan, China, South Korea, and India are aggressively promoting R&D investment. These facts led Erich Bloch, the former head of the National Science Foundation, to write that the ''whole U.S. R&D system is in the midst of a crucial transition. Its rate of growth has leveled off and could decline. We cannot assume that we will stay at the forefront of science and technology as we have for 50 years.''

The future implications of our failure to invest can be better understood if we consider what our lives would be like today without the scientific innovations of those past 50 years. Imagine medicine without x rays, surgical lasers, MRI scanners, fiber-optic probes, synthetic materials for making medical implants, and the host of new drugs that combat cancer and even show promise as suppressors of the AIDS virus. Consider how it would be to face tough choices about how to protect the environment without knowledge of upper atmospheric physics, chemistry of the ozone layer or understanding how toxic substances effect human health. Imagine communication without faxes, desktop computers, the internet, or satellites. Less tangible but nonetheless disconcerting, is the prospect of a future for our country of free thinkers, if all new advances and innovation were to originate from outside of America's shores.

Although difficult, the partisan conflicts and rifts of the past several years may have performed a useful service in clarifying the debate over when public funding on research is justified. Senator GRAMM and I have discussed this

topic at some length. We believe it is a mistake to separate research into two warring camps, one flying the flag of basic science and the other applied science. Rather the research enterprise represents a broad spectrum of human activity with basic and applied science at either end but not in opposition. Every component along the spectrum produces returns—economic, social, and intellectual gains for the society as a whole. The Federal Government should patiently invest in science, medicine, and engineering that lies within the public domain. Once an industry or company begins to pursue proprietary research, then support for that particular venture is best left to the private sector. This is what we mean by the term ''precompetitive research.''

With introduction of the National Research Investment Act of 1998, we begin a bipartisan effort to build a consensus that will support a significant increase in Federal research and development efforts. I am particularly appreciative of the support given today from nearly 100 different scientific and engineering professional societies which collectively represent many more than 1 million members. Accomplishments of your members illuminate the role that science and engineering plays in the innovation process.

In a Wall Street Journal survey of leading economists published in March, 43 percent cited investments in education and research and development as the Federal action that would have the most positive impact on our economy. No other factors, including reducing Government spending or lowering taxes, scored more than 10 percent. While Senator GRAMM and I are certainly committed to fiscal responsibility and balancing the budget, we think that the country would be best served by promoting investments in education and R&D and reducing entitlement consumption spending. Failure to do so now may well imperil America's future economic vitality and our leadership in science and technology.

Mr. BINGAMAN. Mr. President, I am pleased to be an original cosponsor of S. 1305, the National Research Investment Act of 1998.

Boosting the strength of our R&D infrastructure is crucially important to the future health and prosperity of every inhabitant of my home State of New Mexico, just as it is to every American. The scientific, technical, and medical advances of the past 40 years have dramatically improved our standard of living. If we are to maintain these advances into the future, we cannot afford to stand still.

Unfortunately, we are now headed in the wrong direction. Federal funding for research and development has declined as an overall percentage of the Federal budget over the last 20 years. We now spend less than 2 cents of each dollar of Federal spending on science and engineering research and development. We need to do better. It is clear that if we want to create the kind of high-paying, high-technology jobs that will ensure a decent standard of living for American workers, we will need a much stronger commitment to investing in research and development.

Although the focus of this bill is ensuring a strong future for civilian R&D, it is important to recognize that the basic science and fundamental technology development supported by the Defense portion of our budget also contributes to our domestic prosperity. For our Nation to remain prosperous into the next century, we need both sources of support for basic science and fundamental technology to remain strong, even in a time of constrained budgets.

There was a time when our investment in research and development equaled that of the rest of the world combined. But through the years, we have allowed our commitment to slide, and have lost much ground compared to our international competitors. Mr. President, this is not where we want to be, and I hope that the National Research Investment Act of 1998 will put us on the path to a better future.

By Mr. DASCHLE:

S. 1307. A bill to amend the Employee Retirement Income Security Act of 1974 with respect to rules governing litigation contesting termination or reduction of retiree health benefits and to extend continuation coverage to retirees and their dependents; to the Committee on Labor and Human Resources.

THE RETIREE HEALTH BENEFITS PROTECTION ACT OF 1997

Mr. DASCHLE. Mr. President, today I am introducing a bill that restores employer health coverage to individuals who, throughout their careers, were led to believe their retiree health benefits were secure. These retirees earned their benefits through years of labor and have reached an age when other private coverage is difficult if not impossible to find. The Retiree Health Benefits Protection Act of 1997 reempowers retirees whose employers renege, often without notice, on a commitment they made to retiree security and health.

The bill I am offering today melds two measures I first introduced in the 104th Congress. The goal is to restore retirees' rights and options when their former employer takes action to terminate their health benefits.

The legislation was drafted to address a serious problem brought to my attention by the retirees of the Morrell meatpacking plant in Sioux Falls, SD. In January 1995, more than 3,300 Morrell retirees in Sioux Falls and around the country were given 1 week's notice that their health benefits were being terminated.

Pre-Medicare retirees were offered continued health coverage for only one year under Morrell's group plan, if the retiree assumed the full cost of coverage. When this option lapsed in January 1996, many of these people became uninsured. These retirees, like so many who face this situation, had spent years building the company and taking lower pensions or wages in exchange for the promise of retiree health benefits.

This problem is unfortunately not limited to the Morrell retirees. Recent data confirms that a declining share of employers maintain health benefits for their retirees. In fact, the percentage of large employers offering such coverage has dropped by nearly 10 percentage points over the last 5 years. In 1991, 80 percent of large employers provided retiree benefits. As of 1996, 71 percent do.

Early retirees age 50–64 who lose their health benefits are especially vulnerable to becoming uninsured, because health insurance is expensive when purchased at an older age, or unavailable as a result of preexisting conditions.

The bill I am introducing today would establish a number of protections to address this alarming trend.

To minimize unexpected terminations of benefits, my bill would ensure that benefits are terminated or reduced only when evidence shows that retirees were given adequate warning—before their retirement—that their health care benefits were not promised for their lifetimes. If the contract language establishing retiree benefits is silent or ambiguous about the termination of these benefits, my bill would place the burden of proof on the employer to show that the plan allows for the termination or reduction of retiree health benefits.

To help protect coverage for retirees and their families until fair settlements are reached, if an employer's decision to terminate benefits is challenged in court, my bill requires the employer to continue to provide retiree health benefits while these benefits are in litigation.

To prevent early retirees and their families from being left uninsured, this legislation would extend so-called COBRA benefits to early retirees and their dependents whose employer-sponsored health care benefits are terminated or substantially reduced.

Broadly stated, COBRA currently requires employers to offer continuing health coverage for up to 18 months for employees who leave their place of employment. The employee is responsible for the entire cost of the premium, but is allowed to remain in the group policy, thus taking advantage of lower group rates. This legislation would extend the COBRA law to cover early retirees and their families who are more than 18 months away from Medicare eligibility.

This bill would not prohibit employers from modifying their retiree health benefits to implement legitimate cost-savings measures, such as utilization review or managed care arrangements.

Mr. President, retirees deserve this kind of health security.

Workers often give up larger pensions and other benefits in exchange for health benefits. Unfortunately, in the case of the Morrell employees and far too many others, the thanks they get for their sacrifices is that their benefits are taken away with no notice and no compensating increase in their pensions or other benefits.

Early retirees often have been with the same company for decades, perhaps all of their adult lives. They rightfully believe that a company they help build will reward their loyalty, honesty, and hard work.

It is time for this Congress to address this victimization of retirees by companies that put profits before integrity and cost-cutting before fairness. We should not simply sit back while this system creates another population of uninsured individuals. Instead, we should take this opportunity to preserve private coverage for as many retirees as possible and restore the financial security and freedom they earned and thought they could depend upon.

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

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

S. 1307

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 ''Retiree Health Benefits Protection Act''.

TITLE I—RETIREE HEALTH BENEFITS PROTECTION

SEC. 101. RULES GOVERNING LITIGATION INVOLVING RETIREE HEALTH BENEFITS.

(a) IN GENERAL.—Part 5 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1131 et seq.) is amended by adding at the end the following new section:

''SEC. 516. RULES GOVERNING LITIGATION INVOLVING RETIREE HEALTH BENEFITS.

''(a) MAINTENANCE OF BENEFITS.—

''(1) IN GENERAL.—If—

''(A) retiree health benefits or plan or plan sponsor payments in connection with such benefits are to be or have been terminated or reduced under an employee welfare benefit plan; and

''(B) an action is brought by any participant or beneficiary to enjoin or otherwise modify such termination or reduction,

the court without requirement of any additional showing shall promptly order the plan and plan sponsor to maintain the retiree health benefits and payments at the level in effect immediately before the termination or reduction while the action is pending in any court. No security or other undertaking shall be required of any participant or beneficiary as a condition for issuance of such relief. An order requiring such maintenance of benefits may be refused or dissolved only upon determination by the court, on the basis of clear and convincing evidence, that the action is clearly without merit.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply to any action if—

''(A) the termination or reduction of retiree health benefits is substantially similar to a termination or reduction in health benefits (if any) provided to current employees which occurs either before, or at or about the same time as, the termination or reduction of retiree health benefits, or

''(B) the changes in benefits are in connection with the addition, expansion, or clarification of the delivery system, including utilization review requirements and restrictions, requirements that goods or services be obtained through managed care entities or specified providers or categories of providers, or other special major case management restrictions.

''(3) MODIFICATIONS.—Nothing in this section shall preclude a court from modifying the obligation of a plan or plan sponsor to the extent retiree benefits are otherwise being paid by the plan sponsor.

''(b) BURDEN OF PROOF.—In addition to the relief authorized in subsection (a) or otherwise available, if, in any action to which subsection (a)(1) applies, the terms of the employee welfare benefit plan summary plan description or, in the absence of such description, other materials distributed to employees at the time of a participant's retirement or disability, are silent or are ambiguous, either on their face or after consideration of extrinsic evidence, as to whether retiree health benefits and payments may be terminated or reduced for a participant and his or her beneficiaries after the participant's retirement or disability, then the benefits and payments shall not be terminated or reduced for the participant and his or her beneficiaries unless the plan or plan sponsor establishes by a preponderance of the evidence that the summary plan description or other materials about retiree benefits—

''(1) were distributed to the participant at least 90 days in advance of retirement or disability;

''(2) did not promise retiree health benefits for the lifetime of the participant and his or her spouse; and

''(3) clearly and specifically disclosed that the plan allowed such termination or reduction as to the participant after the time of his or her retirement or disability.

The disclosure described in paragraph (3) must have been made prominently and in language which can be understood by the average plan participant.

''(c) REPRESENTATION.—Notwithstanding any other provision of law, an employee representative of any retired employee or the employee' spouse or dependents may—

''(1) bring an action described in this section on behalf of such employee, spouse, or dependents; or

''(2) appear in such an action on behalf of such employee, spouse or dependents.

''(d) RETIREE HEALTH BENEFITS.—For the purposes of this section, the term 'retiree health benefits' means health benefits (including coverage) which are provided to—

''(1) retired or disabled employees who, immediately before the termination or reduction, have a reasonable expectation to receive such benefits upon retirement or becoming disabled; and

''(2) their spouses or dependents.''

(b) CONFORMING AMENDMENT.—The table of contents in section 1 of such Act is amended by inserting after the item relating to section 515 the following new item:

''Sec. 516. Rules governing litigation involving retiree health benefits.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to actions relating to terminations or reductions of retiree health benefits which are pending or brought, on or after January 1, 1998.

TITLE II—RETIREE CONTINUATION COVERAGE

SEC. 201. EXTENSION OF COBRA CONTINUATION COVERAGE.

(a) PUBLIC HEALTH SERVICE ACT.—

(1) TYPE OF COVERAGE.—

(A) IN GENERAL.—Section 2202(1) of the Public Health Service Act (42 U.S.C. 300bb–2(1)) is amended—

(i) by striking ''The coverage'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), the coverage''; and

(ii) by adding at the end the following:

''(B) CERTAIN RETIREES.—In the case of an event described in section 2203(6), the qualified beneficiary may elect to continue coverage as provided for in subparagraph (A) or may elect coverage—

''(i) under any other plan offered by the State, political subdivision, agency, or instrumentality involved; or

''(ii) notwithstanding paragraphs (4) and (5) of section 2741(b), through any health insurance issuer offering health insurance coverage (as defined in section 2791(b)(1)) in the individual market in the State.''.

(B) TECHNICAL AMENDMENT.—Section 2202(2)(D)(i) of the Public Health Service Act (42 U.S.C. 300bb–2(2)(D)(i)) is amended by striking ''covered under any other'' and inserting ''except with respect to coverage obtained under paragraph (1)(B), covered under any other''.

(2) PERIOD OF COVERAGE.—Section 2202(2)(A) of the Public Health Service Act (42 U.S.C. 300bb–2(2)(A)) is amended by adding at the end thereof the following new clause:

''(v) QUALIFYING EVENT INVOLVING SUBSTANTIAL REDUCTION OR ELIMINATION OF A RETIREE GROUP HEALTH PLAN.—In the case of an event described in section 2203(6), the date on which such covered qualified beneficiary becomes entitled to benefits under title XVIII of the Social Security Act.''.

(3) QUALIFYING EVENT.—Section 2203 of the Public Health Service Act (42 U.S.C. 300bb–3) is amended by adding at the end thereof the following new paragraph:

''(6) The substantial reduction or elimination of group health coverage as a result of plan changes or termination with respect to a qualified beneficiary described in section 2208(3)(A).''.

(4) NOTICE.—Section 2206 of the Public Health Service Act (42 U.S.C. 300bb–6) is amended—

(A) in paragraph (2), by striking ''or (4)'' and inserting ''(4), or (6)''; and

(B) in paragraph (4)(A), by striking ''or (4)'' and inserting ''(4), or (6)''.

(5) DEFINITION.—Section 2208(3) of the Public Health Service Act (42 U.S.C. 300bb–8(3)) is amended by adding at the end thereof the following new subparagraph:

''(C) SPECIAL RULE FOR RETIREES.—In the case of a qualifying event described in section 2203(6), the term 'qualified beneficiary' includes a covered employee who had retired on or before the date of substantial reduction or elimination of coverage and any other individual who, on the day before such qualifying event, is a beneficiary under the plan—

''(i) as the spouse of the covered employee;

''(ii) as the dependent child of the covered employee; or

''(iii) as the surviving spouse of the covered employee.''.

(b) EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) TYPE OF COVERAGE.—

(A) IN GENERAL.—Section 602(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1162(1)) is amended—

(i) by striking ''The coverage'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), the coverage''; and

(ii) by adding at the end the following:

''(B) CERTAIN RETIREES.—In the case of an event described in section 603(7), the qualified beneficiary may elect to continue coverage as provided for in subparagraph (A) or may elect coverage—

''(i) under any other plan maintained by the plan sponsor involved; or

''(ii) notwithstanding paragraphs (4) and (5) of section 2741(b) of the Public Health Service Act, through any health insurance issuer offering health insurance coverage (as defined in section 2791(b)(1) of such Act) in the individual market in the State.''.

(B) TECHNICAL AMENDMENT.—Section 602(2)(D)(i) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1162(2)(D)(i)) is amended by striking ''covered under any other'' and inserting ''except with respect to coverage obtained under paragraph (1)(B), covered under any other''.

(2) PERIOD OF COVERAGE.—Section 602(2)(A) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1162(2)(A)) is amended by adding at the end thereof the following new clause:

''(vi) QUALIFYING EVENT INVOLVING SUBSTANTIAL REDUCTION OR ELIMINATION OF A GROUP HEALTH PLAN COVERING RETIREES, SPOUSES AND DEPENDENTS.—In the case of an event described in section 603(7), the date on which such covered qualified beneficiary becomes entitled to benefits under title XVIII of the Social Security Act.''.

(3) QUALIFYING EVENT.—Section 603 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1163) is amended by adding at the end thereof the following new paragraph:

''(7) The substantial reduction or elimination of group health plan coverage as a result of plan changes or termination with respect to a qualified beneficiary described in section 607(3)(C).''.

(4) NOTICE.—Section 606(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1166) is amended—

(A) in paragraph (2), by striking ''or (6)'' and inserting ''(6), or (7)''; and

(B) in paragraph (4)(A), by striking ''or (6)'' and inserting ''(6), or (7)''.

(5) DEFINITION.—Section 607(3)(C) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1167(2)) is amended by striking ''603(6)'' and inserting ''603(6) or 603(7)''.

(c) INTERNAL REVENUE CODE OF 1986.—

(1) TYPE OF COVERAGE.—

(A) IN GENERAL.—Section 4980B(f)(2)(A) of the Internal Revenue Code of 1986 is amended—

(i) by striking ''The coverage'' and inserting the following:

''(i) IN GENERAL.—Except as provided in clause (ii), the coverage''; and

(ii) by adding at the end the following:

''(ii) CERTAIN RETIREES.—In the case of an event described in paragraph (3)(G), the qualified beneficiary may elect to continue coverage as provided for in clause (i) or may elect coverage—

''(I) under any other plan maintained by the plan sponsor involved; or

''(II) notwithstanding paragraphs (4) and (5) of section 2741(b) of the Public Health Service Act, through any health insurance issuer offering health insurance coverage (as defined in section 2791(b)(1) of such Act) in the individual market in the State.''.

(B) TECHNICAL AMENDMENT.—Section 4980B(f)(2)(B)(iv)(I) of the Internal Revenue Code of 1986 is amended by striking ''covered under any other'' and inserting ''except with respect to coverage obtained under paragraph (1)(B), covered under any other''.

(2) PERIOD OF COVERAGE.—Section 4980B(f)(2)(B)(i) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new subclause:

''(VI) QUALIFYING EVENT INVOLVING SUBSTANTIAL REDUCTION OR ELIMINATION OF A RETIREE GROUP HEALTH PLAN.—In the case of an event described in paragraph (3)(G), the date on which such covered qualified beneficiary becomes entitled to benefits under title XVIII of the Social Security Act.''.

(3) QUALIFYING EVENT.—Section 4980B(f)(3) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new subparagraph:

''(G) The substantial reduction or elimination of group health coverage as a result of plan changes or termination with respect to a qualified beneficiary described in subsection (g)(1)(D).''.

(4) NOTICE.—Section 4980B(f)(6) of the Internal Revenue Code of 1986 is amended—

(A) in subparagraph (B), by striking ''or (F)'' and inserting ''(F), or (G)''; and

(B) in subparagraph (D)(i), by striking ''or (F)'' and inserting ''(F), or (G)''.

(5) DEFINITION.—Section 4980B(g)(1)(D) of the Internal Revenue Code of 1986 is amended by striking ''(f)(3)(F)'' and inserting ''(f)(3)(F) or (f)(3)(G)''.

SEC. 202. EFFECTIVE DATE.

This title shall take effect as if enacted on January 1, 1998.

By Mr. BREAUX (for himself and Mr. KERREY):

S. 1308. A bill to amend the Internal Revenue Code of 1986 to ensure taxpayer confidence in the fairness and independence of the taxpayer problem resolution process by providing a more independently operated Office of the Taxpayer Advocate, and for other purposes; to the Committee on Finance.

THE TAXPAYER PROTECTION ACT OF 1997

Mr. BREAUX. Mr. President, this afternoon, I rise to introduce legislation representing, I think, a very important step in giving American taxpayers an additional tool for them to use in solving problems that they have when they are entering into a dispute with the Internal Revenue Service. My bill would ensure that American taxpayers have someone with real authority and significant resources who will represent their interests when dealing with IRS, a true taxpayer advocacy organization which will be on the side of the American taxpayer and not on the side of Washington bureaucrats.

I want to also point out that I am proud to be a cosponsor of the Kerrey-Grassley bill, which is a broader restructuring of the entire Internal Revenue Service, that came about as part of the work that the bipartisan commission studied for over a year's time.

The bill, however, that I am introducing today will strengthen the part of the bill dealing with the Office of Taxpayer Advocate by making the advocate's office much more independent than it is now and giving it more muscle in representing the interests of American taxpayers.

Last month, our Senate Finance Committee had 3 days of hearings looking at the practices and procedures within the Internal Revenue Service. In addition to hearing from taxpayers who had been mistreated by the Internal Revenue Service, our committee also heard very shocking testimony from both current and former IRS employees. These witnesses clearly underscored the importance of doing some major changes in how the Internal Revenue Service operates.

We heard, for instance, Acting Commissioner of IRS Mike Nolan say, ''The IRS is undergoing tremendous change.''

That is very encouraging and also very long overdue. My concern is that there is a big disconnect between the Commissioner's office and over 100,000 IRS employees who work all over America, and even a greater disconnect between some of these employees—not all, but some—and the American taxpayer. This became very painfully clear as a result of our 3 days of hearings.

I want to point out that the IRS is a very convenient political punching bag for many, and speeches condemning the IRS are met with widespread applause at any type of a townhall meeting you want to have. But this is not an issue that we should demagog. Americans want us to solve the problem and not just pass the blame around and blame the other side for their failures.

As was the case with the balanced budget amendment, Republicans and Democrats need to come together in a bipartisan fashion and act responsibly to come up with some real changes that are going to help address this problem and protect the American taxpayer.

Unless we don't want a national defense or a public highway system or schools and national parks, we have to ask ourselves, what will we have if we just eliminated the Internal Revenue Service? When the Department of Defense, I am reminded, had all of these problems buying $200 toilet seats and $500 hammers, we didn't do away with the Department of Defense, we reformed it. We gave them specific instructions on how they should conduct their business. As a result, we still have a Department of Defense, thank goodness, but it is operating more efficiently and more effectively and not making the type of mistakes that we saw in the past. The bottom line is we reformed it. We have to do the same thing with the Internal Revenue Service.

There are many issues to look at when we talk about how to restructure. One is IRS management, how to model a new oversight structure at the IRS that would make it more responsive and accountable to their management problems.

There also is a separate issue, and that is how to strengthen the hand of the American taxpayer when they have to deal with the Internal Revenue Service and let our American taxpayers know that somewhere there is someone who is on their side when they have problems with the Federal Government and specifically with the IRS.

On the first issue of management, attention has focused on who should sit on the board of directors that runs an IRS and what kind of authority and responsibilities this board would have. I

think there is widespread agreement that the management and oversight of the IRS needs to improve dramatically. We need to have more private sector involvement in that board of directors.

The Finance Committee is going to have hearings on the restructuring question next week. I hope that we have a fair and open discussion about what needs to be done, because that is the only way a solution will be arrived at. I personally think we should try and model the management of IRS on a real board of directors, a concept that is part of the bill introduced by Senator KERREY and Senator GRASSLEY and also Congressmen PORTMAN and CARDIN in the House of Representatives. I am a cosponsor of their legislation and will be actively participating in getting that done.

There is no reason why the Internal Revenue Service shouldn't be just as advanced technologically from an organizational standpoint as any Fortune 500 company in America. Our goal should be to have an oversight board that improves the IRS accountability and also their operations. A better managed IRS will translate into better customer service for taxpayers.

But just as important, however, we need to look at ways to improve the everyday outcomes when taxpayers have a problem and have to engage with the IRS. An oversight board may solve some of those, but we need to put in place some independent group that is going to represent the interests of the American taxpayer on a day-to-day basis, and that is what my legislation would do.

Currently, the IRS has an Office of Taxpayer Advocate whose job is to represent the American taxpayers in dealings with the IRS. The problem with the current structure, however, is that this taxpayer advocate does not have enough independence. The taxpayer advocate in each district reports directly to the district director of the IRS. Taxpayers need someone who will work for them and represent their interests and not just be an employee of the IRS.

My bill would make the taxpayer advocate a great deal more independent by giving it more resources, more authority and more responsibilities. The American taxpayers would then have someone working for them and not just working for the IRS when they need help.

My bill would do the following:

No. 1: A national taxpayer advocate would be appointed directly by the President, with the advice and consent of the Senate. He or she would not continue to be appointed by the IRS Commissioner. The national taxpayer advocate would also not be selected from the ranks of the IRS, to make sure that person is truly independent.

No. 2: The national taxpayer advocate will make the hiring and firing decisions regarding the heads of the local taxpayer advocate office in the IRS district and service centers. No longer would the local taxpayer advocate be hired and fired by the district director.

No. 3: The initial contact between the IRS and the taxpayer will include a disclosure that the taxpayers have a right to contact their local taxpayer advocate and information on how to contact them so that the taxpayer will know that this office is there and it is there to protect their legitimate interests.

No. 4: The local taxpayer advocate office would have a separate phone number, fax number, and post office box apart from the IRS district office.

And finally, No. 5: The taxpayer advocate would also have the discretion not to disclose taxpayer information to IRS employees, another tool which could help taxpayers.

All of these measures are designed to give the taxpayer advocate a much stronger voice, a much stronger hand in representing American taxpayers. What taxpayers in this country need is someone who is on their side, not on the Government side, who has the resources to go up against the IRS.

I have been working closely with Senator KERREY and pleased he supports including my provision in the overall bill that they are planning to introduce. So, I think we are making progress. I think we ought to be doing it in a continued responsible fashion, in a bipartisan fashion. If we can get this done, I just suggest that the American taxpayer will now know that there is some office that is on their side representing their interests before their Government.

By Mr. KERRY (for himself, Mr. BOND, Mr. ROCKEFELLER, Mr. CHAFEE, Mr. KENNEDY, Mr. HOLLINGS, Ms. LANDRIEU, Mr. WELLSTONE, Ms. MOSELEY-BRAUN, Mrs. BOXER, Mr. TORRICELLI, and Mr. JOHNSON):

S. 1309. A bill to provide for the health, education, and welfare of children under 6 years of age; to the Committee on Labor and Human Resources.

THE EARLY CHILDHOOD DEVELOPMENT ACT

Mr. KERRY. Mr. President, I am delighted to introduce today the Early Childhood Development Act with Senator BOND. I want to thank Senator BOND for his leadership, both as a Governor who began the successful Parents as Teachers Program and for joining together in this bipartisan effort to develop a real world solution to real world problems.

Mr. President, there is no issue more important in America than the urgent needs of young children. This country must rededicate itself to investing in children, an investment which will have tremendous returns. Early intervention can have a powerful effect on reducing Government welfare, health, criminal justice, and education expenditures in the long run. By taking steps now we can significantly reduce later destructive behavior such as school dropout, drug use, and criminal acts. A study of the High/Scope Foundation's Perry Preschool found that at-risk toddlers who received preschooling and a weekly home visit reduced the risk that these children would grow up to become chronic lawbreakers by a startling 80 percent. The Syracuse University Family Development Study showed that providing quality early-childhood programs to families until children reached age 5 reduces the children's risk of delinquency 10 years later by 90 percent. It's no wonder that a recent survey of police chiefs found that 9 out of 10 said that ''America could sharply reduce crime if Government invested more'' in these early intervention programs.

These programs are successful because children's experiences during their early years of life lay the foundation for their future development. Our failure to provide young children what they need during this period has long-term consequences and costs for America. Recent scientific evidence conclusively demonstrates that enhancing children's physical, social, emotional, and intellectual development will result in tremendous benefits for children, families, and our Nation. The electrical activity of brain cells actually changes the physical structure of the brain itself. Without a stimulating environment, the baby's brain suffers. At birth, a baby's brain contains 100 billion neurons, roughly as many nerve cells as there are stars in the Milky Way. But the wiring pattern between these neurons develops over time. Children who play very little or are rarely touched develop brains 20 to 30 percent smaller than normal for their age.

Mr. President, reversing these problems later in life is far more difficult and costly. I want to discuss several examples.

First, poverty seriously impairs young children's language development, math skills, IQ scores, and their later school completion. Poor young children also are at heightened risk of infant mortality, anemia, and stunted growth. Of the 12 million children under the age of 3 in the United States today, 3 million—25 percent—live in poverty.

Second, three out of five mothers with children younger than 3 work, but one study found that 40 percent of the facilities at child care centers serving infants provided care of such poor quality as to actually jeopardize children's health, safety, or development.

Third, in more than half of the States, one out of every four children between 19 months and 3 years of age is not fully immunized against common childhood diseases. Children who are not immunized are more likely to contact preventable diseases, which can cause long-term harm.

And fourth, children younger than 3 make up 27 percent of the 1 million children who are determined to be abused or neglected each year. Of the 1,200 children who died from abuse and neglect in 1995, 85 percent were younger than 5 and 45 percent were younger than 1.

Unfortunately, Mr. President, our Government expenditure patterns are

inverse to the most important early development period for human beings. Although we know that early investment can dramatically reduce later remedial and social costs, currently our Nation spends more than $35 billion over 5 years on Federal programs for at-risk or delinquent youth and child welfare programs for children ages 12 to 18, but far less for children from birth to age 6.

Today we seek to change our priorities and put children first. I am introducing the Early Childhood Development Act of 1997 to help empower local communities to provide essential interventions in the lives of our youngest at-risk children and their families.

This legislation seeks to provide support to families by minimizing Government bureaucracy and maximizing local initiatives. We would provide additional funding to communities to expand the thousands of successful efforts for at-risk children ages zero to 6 such as those sponsored by the United Way, Boys and Girls Clubs, and other less well-known grassroots organizations, as well as State initiatives such as Success By Six in Massachusetts and Vermont, the Parents as Teachers program in Missouri, Healthy Families in Indiana, and the Early Childhood Initiative in Pittsburgh, PA. All are short on resources. And nowhere do we adequately meet demand although we know that many States and local communities deliver efficient, cost-effective, and necessary services. Extending the reach of these successful programs to millions of children currently underserved will increase our national well-being and ultimately save billions of dollars.

The second part of this bill would provide funding to States to help them provide a subsidy to all working poor families to purchase quality child care for infants, toddlers, and preschool children. We would not create a new program but would simply increase resources for the successful Child Care and Development Block Grant [CCDBG]. Child care for infants and toddlers is much more expensive than for older children since a higher level of care is necessary. Additional funding would also pay for improving the salaries and training level of child care workers, improving the facilities of child care centers and family child care homes, and providing enriched developmentally appropriate educational opportunities.

Finally, the bill would increase funding for the Early Head Start Program. The successful Head Start Program provides quality services to 4 and 5 year-olds. The Early Head Start program, which currently is a modest program funded at $200 million annually, provides comprehensive child development and family support services to infants and toddlers. Expanding this program would help more young children receive the early assistance they need.

I was delighted to be joined earlier today by Dr. Berry Brazelton and Rob Reiner to announce this bill. I want to thank Governor Dean of Vermont and Governor Romer of Colorado for supporting this legislation and the wide range of groups who support this legislation including the Association of Jewish Family & Children's Agencies, Boys and Girls Clubs of America, Children's Defense Fund, Child Welfare League of America, Coalition On Human Needs, Harvard Center for Children's Health, Jewish Council for Public Affairs, National Black Child Development Institute, Inc., National Council of Churches of Christ in the USA, Religious Action Center of Reform Judaism, and Rob Reiner of the I Am Your Child Campaign.

Children need certain supports during their early critical years if they are to thrive and grow to be contributing adults. I look forward to working with Senator BOND and both sides of the aisle to pass this legislation and ensure that all children arrive at school ready to learn.

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

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

S. 1309

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Early Childhood Development Act of 1997''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

SEC. 2. FINDINGS.

Congress makes the following findings—

(1) The Nation's highest priority should be to ensure that children begin school ready to learn.

(2) New scientific research shows that the electrical activity of brain cells actually changes the physical structure of the brain itself and that without a stimulating environment, a baby's brain will suffer. At birth, a baby's brain contains 100,000,000,000 neurons, roughly as many nerve cells as there are stars in the Milky Way. But the wiring pattern between these neurons develops over time. Children who play very little or are rarely touched develop brains that are 20 to 30 percent smaller than normal for their age.

(3) This scientific evidence also conclusively demonstrates that enhancing children's physical, social, emotional, and intellectual development will result in tremendous benefits for children, families, and our Nation.

(4) Since more than 50 percent of the mothers of children under the age of 3 now work outside of the home, our society must change to provide new supports so young children receive the attention and care that they need.

(5) There are 12,000,000 children under the age of 3 in the United States today and 1 in 4 lives in poverty.

(6) Compared with most other industrialized countries, the United States has a higher infant mortality rate, a higher proportion of low-birth weight babies, and a smaller proportion of babies immunized against childhood diseases.

(7) National and local studies have found a strong link between increased violence and crime among youth when there is no early intervention.

(8) The United States will spend more than $35,000,000,000 over the next 5 years on Federal programs for at-risk or delinquent youth and child welfare programs, which address crisis situations which frequently could be avoided or made much less severe with good early interventions.

(9) Many local communities across the country have developed successful early childhood efforts and with additional resources could expand and enhance opportunities for young children.

TITLE I—ASSISTANCE FOR YOUNG CHILDREN

SEC. 101. DEFINITIONS.

In this title:

(1) LOCAL EDUCATIONAL AGENCY.—The term ''local educational agency'' has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(2) POVERTY LINE.—The term ''poverty line'' means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(4) STATE BOARD.—The term ''State board'' means a State Early Learning Coordinating Board established under section 102(c).

(5) YOUNG CHILD.—The term ''young child'' means an individual from birth through age 5.

(6) YOUNG CHILD ASSISTANCE ACTIVITIES.—The term ''young child assistance activities'' means the activities described in paragraphs (1) and (2)(A) of section 103(b).

SEC. 102. ALLOTMENTS TO STATES.

(a) IN GENERAL.—The Secretary shall make allotments under subsection (b) to eligible States to pay for the Federal share of the cost of enabling the States to make grants to local collaboratives under section 103 for young child assistance activities.

(b) ALLOTMENT.—

(1) IN GENERAL.—From the funds appropriated under section 105 for each fiscal year and not reserved under subsection (i), the Secretary shall allot to each eligible State an amount that bears the same relationship to such funds as the total number of young children in poverty in the State bears to the total number of young children in poverty in all eligible States.

(2) YOUNG CHILD IN POVERTY.—In this subsection, the term ''young child in poverty'' means an individual who—

(A) is a young child; and

(B) is a member of a family with an income below the poverty line.

(c) STATE BOARDS.—

(1) IN GENERAL.—In order for a State to be eligible to obtain an allotment under this title, the Governor of the State shall establish, or designate an entity to serve as, a

State Early Learning Coordinating Board, which shall receive the allotment and make the grants described in section 103.

(2) ESTABLISHED BOARD.—A State board established under paragraph (1) shall consist of the Governor and members appointed by the Governor, including—

(A) representatives of all State agencies primarily providing services to young children in the State;

(B) representatives of business in the State;

(C) chief executive officers of political subdivisions in the State;

(D) parents of young children in the State;

(E) officers of community organizations serving low-income individuals, as defined by the Secretary, in the State;

(F) representatives of State nonprofit organizations that represent the interests of young children in poverty, as defined in subsection (b), in the State;

(G) representatives of organizations providing services to young children and the parents of young children, such as organizations providing child care, carrying out Head Start programs under the Head Start Act (42 U.S.C. 9831 et seq.), providing services through a family resource center, providing home visits, or providing health care services, in the State; and

(H) representatives of local educational agencies.

(3) DESIGNATED BOARD.—The Governor may designate an entity to serve as the State board under paragraph (1) if the entity includes the Governor and the members described in subparagraphs (A) through (G) of paragraph (2).

(4) DESIGNATED STATE AGENCY.—The Governor shall designate a State agency that has a representative on the State board to provide administrative oversight concerning the use of funds made available under this title and ensure accountability for the funds.

(d) APPLICATION.—To be eligible to receive an allotment under this title, a State board shall annually submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. At a minimum, the application shall contain—

(1) sufficient information about the entity established or designated under subsection (c) to serve as the State board to enable the Secretary to determine whether the entity complies with the requirements of such subsection;

(2) a comprehensive State plan for carrying out young child assistance activities;

(3) an assurance that the State board will provide such information as the Secretary shall by regulation require on the amount of State and local public funds expended in the State to provide services for young children; and

(4) an assurance that the State board shall annually compile and submit to the Secretary information from the reports referred to in section 103(d)(2)(F)(iii) that describes the results referred to in section 103(d)(2)(F)(i).

(e) FEDERAL SHARE.—

(1) IN GENERAL.—The Federal share of the cost described in subsection (a) shall be—

(A) 85 percent, in the case of a State for which the Federal medical assistance percentage (as defined in section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b))) is not less than 50 percent but is less than 60 percent;

(B) 87.5 percent, in the case of a State for which such percentage is not less than 60 percent but is less than 70 percent; and

(C) 90 percent, in the case of any State not described in subparagraph (A) or (B).

(2) STATE SHARE.—

(A) IN GENERAL.—The State shall contribute the remaining share (referred to in this paragraph as the ''State share'') of the cost described in subsection (a).

(B) FORM.—The State share of the cost shall be in cash.

(C) SOURCES.—The State may provide for the State share of the cost from State or local sources, or through donations from private entities.

(f) STATE ADMINISTRATIVE COSTS.—

(1) IN GENERAL.—A State may use not more than 5 percent of the funds made available through an allotment made under this title to pay for a portion, not to exceed 50 percent, of State administrative costs related to carrying out this title.

(2) WAIVER.—A State may apply to the Secretary for a waiver of paragraph (1). The Secretary may grant the waiver if the Secretary finds that unusual circumstances prevent the State from complying with paragraph (1). A State that receives such a waiver may use not more than 7.5 percent of the funds made available through the allotment to pay for the State administrative costs.

(g) MONITORING.—The Secretary shall monitor the activities of States that receive allotments under this title to ensure compliance with the requirements of this title, including compliance with the State plans.

(h) ENFORCEMENT.—If the Secretary determines that a State that has received an allotment under this title is not complying with a requirement of this title, the Secretary may—

(1) provide technical assistance to the State to improve the ability of the State to comply with the requirement;

(2) reduce, by not less than 5 percent, an allotment made to the State under this section, for the second determination of noncompliance;

(3) reduce, by not less than 25 percent, an allotment made to the State under this section, for the third determination of noncompliance; or

(4) revoke the eligibility of the State to receive allotments under this section, for the fourth or subsequent determination of noncompliance.

(i) TECHNICAL ASSISTANCE.—From the funds appropriated under section 105 for each fiscal year, the Secretary shall reserve not more than 1 percent of the funds to pay for the costs of providing technical assistance. The Secretary shall use the reserved funds to enter into contracts with eligible entities to provide technical assistance, to local collaboratives that receive grants under section 103, relating to the functions of the local collaboratives under this title.

SEC. 103. GRANTS TO LOCAL COLLABORATIVES.

(a) IN GENERAL.—A State board that receives an allotment under section 102 shall use the funds made available through the allotment, and the State contribution made under section 102(e)(2), to pay for the Federal and State shares of the cost of making grants, on a competitive basis, to local collaboratives to carry out young child assistance activities.

(b) USE OF FUNDS.—A local collaborative that receives a grant made under subsection (a)—

(1) shall use funds made available through the grant to provide, in a community, activities that consist of education and supportive services, such as—

(A) home visits for parents of young children;

(B) services provided through community-based family resource centers for such parents; and

(C) collaborative pre-school efforts that link parenting education for such parents to early childhood learning services for young children; and

(2) may use funds made available through the grant—

(A) to provide, in the community, activities that consist of—

(i) activities designed to strengthen the quality of child care for young children and expand the supply of high quality child care services for young children;

(ii) health care services for young children, including increasing the level of immunization for young children in the community, providing preventive health care screening and education, and expanding health care services in schools, child care facilities, clinics in public housing projects (as defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b))), and mobile dental and vision clinics;

(iii) services for children with disabilities who are young children; and

(iv) activities designed to assist schools in providing educational and other support services to young children, and parents of young children, in the community, to be carried out during extended hours when appropriate; and

(B) to pay for the salary and expenses of the administrator described in subsection (e)(4), in accordance with such regulations as the Secretary shall prescribe.

(c) MULTI-YEAR FUNDING.—In making grants under this section, a State board may make grants for grant periods of more than 1 year to local collaboratives with demonstrated success in carrying out young child assistance activities.

(d) LOCAL COLLABORATIVES.—To be eligible to receive a grant under this section for a community, a local collaborative shall demonstrate that the collaborative—

(1) is able to provide, through a coordinated effort, young child assistance activities to young children, and parents of young children, in the community; and

(2) includes—

(A) all public agencies primarily providing services to young children in the community;

(B) businesses in the community;

(C) representatives of the local government for the county or other political subdivision in which the community is located;

(D) parents of young children in the community;

(E) officers of community organizations serving low-income individuals, as defined by the Secretary, in the community;

(F) community-based organizations providing services to young children and the parents of young children, such as organizations providing child care, carrying out Head Start programs, or providing pre-kindergarten education, mental health, or family support services; and

(G) nonprofit organizations that serve the community and that are described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code.

(e) APPLICATION.—To be eligible to receive a grant under this section, a local collaborative shall submit an application to the State board at such time, in such manner, and containing such information as the State board may require. At a minimum, the application shall contain—

(1) sufficient information about the entity described in subsection (d)(2) to enable the State board to determine whether the entity complies with the requirements of such subsection; and

(2) a comprehensive plan for carrying out young child assistance activities in the community, including information indicating—

(A) the young child assistance activities available in the community, as of the date of submission of the plan, including information on efforts to coordinate the activities;

(B) the unmet needs of young children, and parents of young children, in the community for young child assistance activities;

(C) the manner in which funds made available through the grant will be used—

(i) to meet the needs, including expanding and strengthening the activities described in subparagraph (A) and establishing additional young child assistance activities; and

(ii) to improve results for young children in the community;

(D) how the local cooperative will use at least 60 percent of the funds made available through the grant to provide young child assistance activities to young children and parents described in subsection (f);

(E) the comprehensive methods that the collaborative will use to ensure that—

(i) each entity carrying out young child assistance activities through the collaborative will coordinate the activities with such activities carried out by other entities through the collaborative; and

(ii) the local collaborative will coordinate the activities of the local collaborative with—

(I) other services provided to young children, and the parents of young children, in the community; and

(II) the activities of other local collaboratives serving young children and families in the community, if any; and

(F) the manner in which the collaborative will, at such intervals as the State board may require, submit information to the State board to enable the State board to carry out monitoring under section 102(f), including the manner in which the collaborative will—

(i) evaluate the results achieved by the collaborative for young children and parents of young children through activities carried out through the grant;

(ii) evaluate how services can be more effectively delivered to young children and the parents of young children; and

(iii) prepare and submit to the State board annual reports describing the results;

(3) an assurance that the local collaborative will comply with the requirements of subparagraphs (D), (E), and (F) of paragraph (2), and subsection (g); and

(4) an assurance that the local collaborative will hire an administrator to oversee the provision of the activities described in paragraphs (1) and (2)(A) of subsection (b).

(f) DISTRIBUTION.—In making grants under this section, the State board shall ensure that at least 60 percent of the funds made available through each grant are used to provide the young child assistance activities to young children (and parents of young children) who reside in school districts in which half or more of the students receive free or reduced price lunches under the National School Lunch Act (42 U.S.C. 1751 et seq.).

(g) LOCAL SHARE.—

(1) IN GENERAL.—The local collaborative shall contribute a percentage (referred to in this subsection as the ''local share'') of the cost of carrying out the young child assistance activities.

(2) PERCENTAGE.—The Secretary shall by regulation specify the percentage referred to in paragraph (1).

(3) FORM.—The local share of the cost shall be in cash.

(4) SOURCE.—The local collaborative shall provide for the local share of the cost through donations from private entities.

(5) WAIVER.—The State board shall waive the requirement of paragraph (1) for poor rural and urban areas, as defined by the Secretary.

(h) MONITORING.—The State board shall monitor the activities of local collaboratives that receive grants under this title to ensure compliance with the requirements of this title.

SEC. 104. SUPPLEMENT NOT SUPPLANT.

Funds appropriated under this title shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide services for young children.

SEC. 105. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title $250,000,000 for fiscal year 1999, $500,000,000 for fiscal year 2000, $1,000,000,000 for each of fiscal years 2001 through 2003, and such sums as may be necessary for fiscal year 2004 and each subsequent fiscal year.

TITLE II—CHILD CARE FOR FAMILIES

SEC. 201. AMENDMENT TO CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.

The Child Care and Development Block Grant Act of 1990 is amended by inserting after section 658C (42 U.S.C. 9858b) the following:

''SEC. 658C–1. ESTABLISHMENT OF ZERO TO SIX PROGRAM.

''(a) IN GENERAL.—

''(1) PAYMENTS.—Subject to the amount appropriated under subsection (d), each State shall, for the purpose of providing child care assistance on behalf of children under 6 years of age, receive payments under this section in accordance with the formula described in section 658O.

''(2) INDIAN TRIBES.—The Secretary shall reserve 2 percent of the amount appropriated to carry out this section in each fiscal year for payments to Indian tribes and tribal organizations.

''(3) REMAINDER.—Any amount appropriated for a fiscal year under subsection (d), and remaining after the Secretary awards grants under paragraph (1) and after the reservation under paragraph (2), shall be used by the Secretary to make additional grants to States based on the formula under paragraph (1).

''(4) REALLOTMENT.—

''(A) IN GENERAL.—Any portion of the allotment under paragraph (1) to a State that the Secretary determines is not required by the State to carry out the activities described in subsection (b), in the period for which the allotment is made available, shall be reallotted by the Secretary to other States in proportion to the original allotments to the other States.

''(B) LIMITATIONS.—

''(i) REDUCTION.—The amount of any reallotment to which a State is entitled to under subparagraph (A) shall be reduced to the extent that it exceeds the amount that the Secretary estimates will be used in the State to carry out the activities described in subsection (b).

''(ii) REALLOTMENTS.—The amount of such reduction shall be similarly reallotted among States for which no reduction in an allotment or reallotment is required by this paragraph.

''(C) INDIAN TRIBES OR TRIBAL ORGANIZATIONS.—Any portion of a grant made to an Indian tribe or tribal organization under paragraph (2) that the Secretary determines is not being used in a manner consistent with subsection (b) in the period for which the grant or contract is made available, shall be allotted by the Secretary to other tribes or organizations in accordance with their respective needs.

''(5) AVAILABILITY.—Amounts received by a State under a grant under this section shall be available for use by the State during the fiscal year for which the funds are provided and for the following 2 fiscal years.

''(b) USE OF FUNDS.—

''(1) IN GENERAL.—Amounts received by a State under this section shall be used to provide child care assistance, on a sliding fee scale basis, on behalf of eligible children (as determined under paragraph (2)) to enable the parents of such children to secure high quality care for such children.

''(2) ELIGIBILITY.—To be eligible to receive child care assistance from a State under this section, a child shall—

''(A) be under 6 years of age;

''(B) be residing with at least one parent who is employed or enrolled in a school or training program or otherwise requires child care as a preventive or protective service (as determined under rules established by the Secretary); and

''(C) have a family income that is less than 85 percent of the State median income for a family of the size involved.

''(3) INFANT CARE SET-ASIDE.—A State shall set-aside 10 percent of the amounts received by the State under a grant under subsection (a)(1) for a fiscal year for the establishment of a program to establish innovations in infant and toddler care, including models for—

''(A) the development of family child care networks;

''(B) the training of child care providers for infant and toddler care; and

''(C) the support, renovation, and modernization of facilities used for child care programs serving infants.

''(4) POVERTY LINE.—As used in this subsection, the term ''poverty line'' means the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) that is applicable to a family of the size involved.

''(c) LEVELS OF ASSISTANCE.—

''(1) ADJUSTMENT OF RATES.—With respect to the levels of assistance provided by States on behalf of eligible children under this section, a State shall be permitted to adjust rates above the market rates to ensure that families have access to high quality infant and toddler care.

''(2) ADDITIONAL ASSISTANCE.—In administering this section, the Secretary shall encourage States to provide additional assistance on behalf of children for enriched infant and toddler services.

''(3) AMOUNT OF ASSISTANCE.—In providing assistance to eligible children under this section, a State shall ensure that an eligible child with a family income that is less than 100 percent of the poverty line for a family of the size involved is eligible to receive 100 percent of the amount of the assistance for which the child is eligible.

''(d) APPROPRIATION.—For grants under this section, there are appropriated—

''(1) $250,000,000 for fiscal year 1999;

''(2) $500,000,000 for fiscal year 2000;

''(3) $1,000,000,000 for each of fiscal years 2001 through 2003; and

''(4) such sums as may be necessary for fiscal year 2004 and each subsequent fiscal year.

''(e) REPORT.—Not later than 1 year after the date of enactment of this section, the Secretary shall prepare and submit to the appropriate committees of Congress a report concerning—

''(1) the appropriate child to staff ratios for infants and toddlers in child care settings, including child care centers and family child care homes; and

''(2) other best practices for infant and toddler care.

''(f) APPLICATION OF OTHER REQUIREMENTS.—

''(1) STATE PLAN.—The State, as part of the State plan submitted under section 658E(c), shall describe the activities that the State intends to carry out using amounts received under this section, including a description of the levels of assistance to be provided.

''(2) OTHER REQUIREMENTS.—Amounts provided to a State under this section shall be subject to the requirements and limitations of this subchapter except that section 658E(c)(3), 658F, 658G, 658J, and 658O shall not apply.''.

TITLE III—AMENDMENTS TO THE HEAD START ACT

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

Section 639(a) of the Head Start Act (42 U.S.C. 9834(a)) is amended by inserting before the period at the end the following: '', $4,900,000,000 for fiscal year 1999, $5,500,000,000 for fiscal year 2000, $6,100,000,000 for fiscal year 2001, and such sums as may be necessary for fiscal year 2002''.

SEC. 302. ALLOTMENT OF FUNDS.

Section 640(a)(6) of the Head Start Act (42 U.S.C. 9835(a)(6)) is amended—

(1) by striking ''1997, and'' and inserting ''1997,''; and

(2) by inserting after ''1998,'' the following: ''6 percent for fiscal year 1999, 7 percent for fiscal year 2000, 8 percent for fiscal year 2001, and 10 percent for fiscal year 2002,''.

SEC. 303. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect on October 1, 1998.

Mr. BOND. Mr. President. I rise today, along with my distinguished colleague from Massachusetts, Senator JOHN KERRY, to introduce the Early Childhood Development Act of 1997. Let me thank all who have worked so hard to develop this legislation.

The most important thing we can do to address the many social problems we face, is to recognize that the family is the centerpiece of our society and take steps to strengthen families and mobilize communities to support young children and their families.

This legislation follows up on recent scientific research showing that infant brain development occurs much more rapidly than previously thought, and that early, positive interaction with parents plays the critical role in brain development.

Not surprisingly parents have known instinctively for generations what science is just now figuring out: that reading to a baby, caressing and cuddling him, and helping him to have a wide range of good experiences will enhance his development. When children fail to receive love and nurturing at home when they do not receive quality child care, whether it is provided by centers, family child care homes, or relatives, they are far more likely to develop social and academic problems.

Yet parents today face burdens that were unimaginable a generation ago. Half of all marriages now end in divorce, and 28 percent of all children under the age of 18 live in a single-parent family. One in four infants and toddlers under the age of 3—nearly 3 million children—live in families with incomes below the Federal poverty level.

Many women, particularly in low- and moderate-income families, are essential in helping support their families financially and have entered the workforce in record numbers during the last generation. In many families, both parents work. Each day, an estimated 13 million children younger than 6—including 6 million babies and toddlers—spend some or all of their day being cared for by someone other than their parents. Children of working mothers are entering care as early as 6 weeks of age and spending 35 or more hours a week in some form of child care. Whether by choice or necessity, parents must try to find quality child care—which is not always available.

We are seeking, through this legislation, to provide families with support through early childhood education and more child care options. Our bill will support families—not bureaucracy—by building on local initiatives that are already working for families with infants and toddlers. We will help communities improve their services and supports to families with young children by expanding the thousands of successful efforts for families with children from birth to 6, such as those sponsored by the United Way and Boys and Girls Clubs as well as State initiatives such as Success by Six in Massachusetts and Vermont, the Parents as Teachers programs in Missouri and 47 other States, and the Early Childhood Initiative in Pennsylvania.

The Early Childhood Development Act will provide funds for early childhood education programs for all children that emphasize the primary role of parents and help give them the tools they need to be their children's best teachers. Parents are the key to a child's healthy development and as we all know, we will never solve our social problems unless we involve parents in the process and in their children's lives.

In addition, the bill will expand quality child care programs for families, especially for infants. And we will begin the Head Start Program earlier—when its impact could be much greater—at birth.

While Government cannot and should not become a replacement for parents and families, we can help families become stronger by providing support to help them give their children the encouragement, the love and the healthy environment they need to develop their social and intellectual capacities.

Our legislation balances the desire to provide support with the need to do so responsibly. I am proud that we have come together on a bipartisan basis to invest in programs that encourage family responsibility and obligation while helping families in need to reach those goals.

I am very optimistic that the spirit of bipartisanship will guide our consideration of this legislation and move it forward. Recent polls have shown that the overwhelming majority of Americans want early childhood development issues to be top priorities for our country. We must all work together to ensure that our most vulnerable citizens are given the care and protection they need and deserve.

Mr. President. I look forward to working with my colleagues to improve the quality of life for all children.

ADDITIONAL COSPONSORS

S. 19

At the request of Mr. DODD, the name of the Senator from Louisiana [Ms. LANDRIEU] was added as a cosponsor of S. 19, a bill to provide funds for child care for low-income working families, and for other purposes.

S. 61

At the request of Mr. LOTT, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 61, a bill to amend title 46, United States Code, to extend eligibility for veterans' burial benefits, funeral benefits, and related benefits for veterans of certain service in the United States merchant marine during World War II.

S. 356

At the request of Mr. GRAHAM, the name of the Senator from Ohio [Mr. DEWINE] was added as a cosponsor of S. 356, a bill to amend the Internal Revenue Code of 1986, the Public Health Service Act, the Employee Retirement Income Security Act of 1974, the title XVIII and XIX of the Social Security Act to assure access to emergency medical services under group health plans, health insurance coverage, and the medicare and medicaid programs.

S. 358

At the request of Mr. DEWINE, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 358, a bill to provide for compassionate payments with regard to individuals with blood-clotting disorders, such as hemophilia, who contracted human immunodeficiency virus due to contaminated blood products, and for other purposes.

S. 617

At the request of Mr. JOHNSON, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 617, a bill to amend the Federal Meat Inspection Act to require that imported meat, and meat food products containing imported meat, bear a label identifying the country of origin.

S. 644

At the request of Mr. D'AMATO, the names of the Senator from Alabama [Mr. SHELBY] and the Senator from New Jersey [Mr. TORRICELLI] were added as cosponsors of S. 644, a bill to amend the Public Health Service Act and the Employee Retirement Income Security Act of 1974 to establish standards for relationships between group health plans and health insurance issuers with enrollees, health professionals, and providers.

S. 732

At the request of Mr. FAIRCLOTH, the names of the Senator from New York [Mr. D'AMATO] and the Senator from Colorado [Mr. ALLARD] were added as cosponsors of S. 732, a bill to require the Secretary of the Treasury to mint and issue coins in commemoration of the centennial anniversary of the first manned flight of Orville and Wilbur Wright in Kitty Hawk, North Carolina, on December 17, 1903.