and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. SPECTER (for himself, Mr. COVERDELL, and Mr. HUTCHINSON):

S. 772. A bill to establish an Office of Religious Persecution Monitoring, to provide for the imposition of sanctions against countries engaged in a pattern of religious persecution, and for other purposes; to the Committee on Foreign Relations.

By Mr. DURBIN (for himself, Mr. TORRICELLI, Ms. MOSELEY-BRAUN, Mrs. MURRAY, Mr. FEINGOLD, Mr. KENNEDY, Mr. KERRY, Mrs. BOXER, and Mr. REED):

S. 773. A bill to designate certain Federal lands in the State of Utah as wilderness, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRAIG (for himself and Mr. KEMPTHORNE):

S. 774. A bill to provide for the stabilization, enhancement, restoration, and management of the Coeur d'Alene River basin watershed; to the Committee on Environment and Public Works.

By Mr. JEFFORDS (for himself, Mr. KOHL, Mr. GRAMS, Mr. D'AMATO, Ms. COLLINS, Mr. DASCHLE, Mr. LEAHY, Mr. SMITH of New Hampshire, Mr. GRASSLEY, Ms. SNOWE, and Mr. KENNEDY):

S. 775. A bill to amend the Internal Revenue Code of 1986 to exclude gain or loss from the sale of livestock from the computation of capital gain net income for purposes of the earned income credit; to the Committee on Finance.

By Mr. GRAHAM (for himself and Mr. MACK):

S. 776. A bill to amend title XVIII of the Social Security Act to provide for an increase in update for certain hospitals with a high proporation of medicare patients; to the Committee on Finance.

By Mr. JOHNSON (for himself, Mr. DASCHLE, Mr. WELLSTONE, Mr. GRAMS, Mr. HARKIN, and Mr. GRASSLEY):

S. 777. A bill to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for planning and construction of the water supply system, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. LUGAR:

S. 778. A bill to authorize a new trade and investment policy for sub-Saharan African; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. D'AMATO:

S. Res. 88. A resolution to express the support of the Senate for programs such as the JumpStart Coalition for Personal Financial Literacy; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LOTT:

S. Res. 89. A resolution to constitute the majority party's membership on the Governmental Affairs Committee for the 105th Congress, or until their successors are chosen; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MURKOWSKI:

S. 771. A bill to regulate the transmission of unsolicited commercial electronic mail, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE UNSOLICITED COMMERCIAL ELECTRONIC MAIL CHOICE ACT OF 1977

Mr. MURKOWSKI. Mr. President, I rise today to introduce legislation that will address one of the major complaints of Internet users—the proliferation of unsolicited e-mail advertisements, junk e-mail, or so-called spam.

Mr. President, in the span of 5 years, an entirely new method of commerce and communication—electronic mail on the Internet—has spread around the world. Along with the benefits of this revolutionary technology, there are some negative byproducts that can only damage the integrity of this new communications medium.

Because of technological advances, Internet e-mail has also become a very inexpensive means of distributing endless e-mails solicitations that not only annoy but can also defraud recipients. Moreover, the growth of junk e-mail can clog e-mail distribution networks and overtax the ability of service providers to distribute legitimate communications.

With a minimal equipment investment, any individual or business has the capability to transmit unsolicited advertisements to thousands of people nationwide each hour with the click of a mouse. As technology advances, thousands will turn into millions, and junk e-mail could overwhelm cyberspace.

Junk e-mail is known in the trade by the derisive term of ''spam.'' Based upon the content of many of these e-mails, I'd be insulted if I were an employee of Hormel, the creator of the real Spam.

Mr. President, not only is junk e-mail an annoyance, but for many Americans, especially citizens living in rural States like Alaska, there is a real out-of-pocket cost they must pay to receive these unsolicited advertisements. When an on-line subscriber in rural Alaska or Montana, logs on to a network server, such as America OnLine, to check to see if there is e-mail, the subscriber often must pay a long distance charge. If there is no e-mail in his on-line mailbox, the subscriber's long distance charge may only cover 1 minute. However, if there are 25 messages in his mailbox, 24 of which are unsolicited e-mail ads, his long distance charges could triple or quadruple.

So what the rural on-line user is forced to do is to pay for the privilege of receiving junk e-mail and then having to waste his time hitting his delete button to empty this junk out of his mail box.

Mr. President, we ought to do something to end this practice. In 1991, Congress passed the Automated Telephone Consumer Protection Act that contained a provision which banned unsolicited fax transmissions. In the bill I am introducing today, the Unsolicited Commercial Electronic Mail Choice Act of 1997, I have not chosen to take such a sweeping and unilateral approach because the Internet is about choices, not outright bans.

What my bill does is to require the use of the word ''Advertisement'' in the subject line of any unsolicited commercial e-mail, along with the sender's real address, real e-mail address, and telephone number in the body of the message. This requirement will empower Internet users to filter out messages that they do not want to receive.

Spam generators who refuse to abide by this requirement could face legal action from private citizens, state attorneys general, and/or the Federal Trade Commission. FTC or state action could result in civil penalties of up to $11,000 per incident and, more importantly, cease and desist orders. Private citizens bringing suit could recover $5,000 plus reasonable attorney's fees.

Internet users can also choose not to unilaterally block all unsolicited commercial e-mails. Instead, they can send removal requests to specific mailing lists with further transmissions required to end within 48 hours.

Moreover, Internet Service Providers, such as America Online or Microsoft Network, would be required to filter out all e-mails with the word ''Advertisement'' in the subject line when a consumer so requests. Large service providers would have 1 year, from the date of enactment, to implement this requirement. Smaller Internet Service Providers would have 2 years to meet this requirement. Internet Service Providers would also be required to cut off service to those who use their services to send out unsolicited commercial e-mails in violation of the provisions of the act.

Mr. President, I want to point out what this bill does not attempt to do. It does not ban unsolicited commercial e-mails as some have suggested. I have not chosen an outright ban because I support the business practices of those who flood inboxes with sales pitches for worthless vitamin products and multilevel marketing schemes. Quite the contrary, I abhor such solicitations.

But I do not want to set a precedent in banning commercial speech on the Internet. Although these unsolicited advertisements are annoying, I do not believe that is a basis for an outright ban. A better approach is to simply ignore them by filtering them out. If enough Americans choose to filter out such e-mail messages, I seriously doubt that anyone will bother to send out such e-mails in the future since the cyberspace market will no longer be there.

I would also note that this bill does not impact automated mailing lists, e-mails between friends, or e-mails between businesses and their customers when there is a preexisting business relationship.

Mr. President, the Internet is about choices, not bans. The Unsolicited

Commercial Electronic Mail Message Choice Act of 1997 should restore to consumers and businesses the right to be free from endless e-mail solicitations. It will be up to the consumer to decide if he or she wants to receive such messages. That is the way I believe Americans want it. They don't want government telling them what they can receive, but they want right to decide for themselves.

Mr. President, as I said earlier, this is a very new technology and it is not my intention to hinder it's development nor interfere with legitimate commerce transacted on the Internet. I look forward to working with my colleagues to pass legislation that resolves this problem.

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. 771

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 ''Unsolicited Commercial Electronic Mail Choice Act of 1997''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The Internet is a worldwide network of information that growing numbers of Americans use on a regular basis for educational and personal activities.

(2) Electronic mail messages transmitted on the Internet constitute an increasing percentage of communications in the United States.

(3) Solicited commercial electronic mail is a useful and cost-effective means for Americans to receive information about a business and its products.

(4) The number of transmissions of unsolicited commercial electronic mail advertisements has grown exponentially over the past several years as the technology for creating and transmitting such advertisements in bulk has made the costs of distribution of such advertisements minimal.

(5) Individuals have available no effective means of differentiating between unsolicited commercial electronic mail advertisements and other Internet communications.

(6) The transmitters of unsolicited commercial electronic mail advertisements can easily move from State to State.

(7) Individuals and businesses that receive unsolicited commercial electronic mail advertisements often pay for the costs of such receipt, including the costs of Internet access and long distance telephone charges.

(8) Unsolicited commercial electronic mail can be used to advertise legitimate services and goods but is also used for fraudulent and deceptive purposes in violation of Federal and State law.

(9) Individuals and companies that use unsolicited commercial electronic mail for fraudulent and deceptive purposes often use fraudulent identification information in such electronic mail, making it impossible for a recipient to request to be removed from the mailing list or for law enforcement authorities to identify the sender.

(10) The inability of recipients of unsolicited commercial electronic mail to identify the senders of such electronic mail or to prevent its receipt impedes the flow of commerce and communication on the Internet and threatens the integrity of commerce on the Internet.

(11) Internet service providers are burdened by the cost of equipment necessary to process unsolicited commercial electronic mail.

(12) To facilitate the development of commerce and communication on the Internet, unsolicited commercial electronic mail should be readily identifiable and filterable by individuals and Internet service providers.

SEC. 3. REQUIREMENTS RELATING TO TRANSMISSIONS OF UNSOLICITED COMMERCIAL ELECTRONIC MAIL.

(a) INFORMATION ON ADVERTISEMENT.—

(1) REQUIREMENT.—Unless otherwise authorized pursuant to a provision of section 7, a person who transmits an electronic mail message as part of the transmission of unsolicited commercial electronic mail shall cause to appear in each electronic mail message transmitted as part of such transmission the information specified in paragraph (3).

(2) PLACEMENT.—

(A) ADVERTISEMENT.—The information specified in subparagraph (A) of paragraph (3) shall appear as the first word of the subject line of the electronic mail message without any prior text or symbol.

(B) OTHER INFORMATION.—The information specified in subparagraph (B) of that paragraph shall appear prominently in the body of the message.

(3) COVERED INFORMATION.—The following information shall appear in an electronic mail message under paragraph (1):

(A) The term ''advertisement''.

(B) The name, physical address, electronic mail address, and telephone number of the person who initiates transmission of the message.

(b) ROUTING INFORMATION.—All Internet routing information contained within or accompanying an electronic mail message described in subsection (a) shall be valid according to the prevailing standards for Internet protocols.

(c) EFFECTIVE DATE.—The requirements in this section shall take effect 30 days after the date of enactment of this Act.

SEC. 4. FEDERAL REGULATION OF UNSOLICITED COMMERCIAL ELECTRONIC MAIL.

(a) TRANSMISSIONS.—

(1) IN GENERAL.—Upon notice from a person of the person's receipt of electronic mail in violation of a provision of section 3 or 7, the Commission—

(A) may conduct an investigation to determine whether or not the electronic mail was transmitted in violation of the provision; and

(B) if the Commission determines that the electronic mail was transmitted in violation of the provision, may—

(i) impose upon the person initiating the transmission a civil fine in an amount not to exceed $11,000;

(ii) commence in a district court of the United States a civil action to recover a civil penalty in an amount not to exceed $11,000 against the person initiating the transmission; or

(iii) both impose a fine under clause (i) and commence an action under clause (ii).

(2) DEADLINE.—The Commission may not take action under paragraph (1)(B) with respect to a transmission of electronic mail more than 2 years after the date of the transmission.

(b) ADMINISTRATION.—

(1) NOTICE BY ELECTRONIC MEANS.—The Commission shall establish an Internet web site with an electronic mail address for the receipt of notices under subsection (a).

(2) INFORMATION ON ENFORCEMENT.—The Commission shall make available through the Internet web site established under paragraph (2) information on the actions taken by the Commission under subsection (a)(1)(B).

(3) ASSISTANCE OF FEDERAL COMMUNICATIONS COMMISSION.—The Federal Communications Commission may assist the Commission in carrying out its duties this section.

SEC. 5. ACTIONS BY STATES.

(a) IN GENERAL.—Whenever an attorney general of any State has reason to believe that the interests of the residents of that State have been or are being threatened or adversely affected because any person is engaging in a pattern or practice of the transmission of electronic mail in violation of a provision of section 3 or 7, the State, as parens patriae, may bring a civil action on behalf of its residents to enjoin such transmission, to enforce compliance with the provision, to obtain damages or other compensation on behalf of its residents, or to obtain such further and other relief as the court considers appropriate.

(b) NOTICE TO COMMISSION.—

(1) NOTICE.—The State shall serve prior written notice of any civil action under this section upon the Commission and provide the Commission with a copy of its complaint, except that if it is not feasible for the State to provide such prior notice, the State shall serve written notice immediately upon instituting such action.

(2) RIGHTS OF COMMISSION.—Upon receiving a notice with respect to a civil action under paragraph (1), the Commission shall have the right—

(A) to intervene in the action;

(B) upon so intervening, to be heard in all matters arising therein; and

(C) to file petitions for appeal.

(c) ACTIONS BY COMMISSION.—Whenever a civil action has been instituted by or on behalf of the Commission for violation of a provision of section 3 or 7, no State may, during the pendency of such action, institute a civil action under this section against any defendant named in the complaint in such action for violation of any provision as alleged in the complaint.

(d) CONSTRUCTION.—For purposes of bringing a civil action under subsection (a), nothing in this section shall prevent an attorney general from exercising the powers conferred on the attorney general by the laws of the State concerned to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary or other evidence.

(e) VENUE; SERVICE OF PROCESS.—Any civil action brought under subsection (a) in a district court of the United States may be brought in the district in which the defendant is found, is an inhabitant, or transacts business or wherever venue is proper under section 1391 of title 28, United States Code. Process in such an action may be served in any district in which the defendant is an inhabitant or in which the defendant may be found.

(f) ACTIONS BY OTHER STATE OFFICIALS.—Nothing in this section may be construed to prohibit an authorized State official from proceeding in State court on the basis of an alleged violation of any civil or criminal statute of the State concerned.

(g) DEFINITION.—In this section, the term ''attorney general'' means the chief legal officer of a State.

SEC. 6. INTERNET SERVICE PROVIDERS.

(a) EXEMPTION FOR CERTAIN TRANSMISSIONS.—The provisions of this Act shall not apply to a transmission of electronic mail by an interactive computer service provider unless the provider initiates the transmission.

(b) NOTICE OF TRANSMISSIONS FROM COMMISSION.—Not later than 72 hours after receipt

from the Commission of notice that its computer equipment may have been used by another person to initiate a transmission of electronic mail in violation of a provision of section 3 or 7, an interactive computer service provider shall—

(1) provide the Commission such information as the Commission requires in order to determine whether or not the computer equipment of the provider was used to initiate the transmission; and

(2) if the Commission determines that the computer equipment of the provider was used to initiate the transmission, take appropriate actions to terminate the use of its computer equipment by that person.

(c) NOTICE OF TRANSMISSIONS FROM PRIVATE INDIVIDUALS.—

(1) IN GENERAL.—Subject to paragraph (2), not later than 14 days after receipt from a private person of notice that its computer equipment may have been used by another person to initiate a transmission of electronic mail in violation of a provision of section 3 or 7, an interactive computer service provider shall—

(A) transmit the notice to the Commission together with such information as the Commission requires in order to determine whether or not the computer equipment of the provider was used to initiate the transmission; and

(B) if the Commission determines that the computer equipment of the provider was used to initiate the transmission, take appropriate actions to terminate the use of its computer equipment by that person.

(2) MINIMUM NOTICE REQUIREMENT.—An interactive computer service provider shall transmit a notice under paragraph (1) with respect to a particular transmission of electronic mail only if the provider receives notice with respect to the transmission from more than 100 private persons.

(d) BLOCKING SYSTEMS.—

(1) REQUIREMENT.—Each interactive computer service provider shall make available to subscribers to such service a system permitting such subscribers, upon the affirmative electronic request of such subscribers, to block the receipt through such service of any electronic mail that contains the term ''advertisement'' in its subject line.

(2) NOTICE OF AVAILABILITY.—Upon the applicability of this subsection to an interactive computer service provider, the provider shall—

(A) notify each current subscriber, if any, to the service of the blocking system provided for under paragraph (1); and

(B) notify any new subscribers to the service of the blocking system.

(3) BLOCKING BY PROVIDER.—An interactive computer service provider may, upon its own initiative, block the receipt through its service of any electronic mail that contains the term ''advertisement'' in its subject line.

(4) APPLICABILITY.—The requirements in paragraphs (1) and (2) shall apply—

(A) beginning 1 year after the date of enactment of this Act, in the case of an interactive computer service provider having more than 25,000 or more subscribers; and

(B) beginning 2 years after that date, in the case of an interactive computer service provider having less than 25,000 subscribers.

(e) RECORDS.—An interactive computer service provider shall retain records of any action taken on a notice received under this section for not less than 2 years after the date of receipt of the notice.

(f) CONSTRUCTION.—Nothing in this section may be construed to require an interactive computer service provider to transmit or otherwise deliver any electronic mail message containing the term ''advertisement'' in its subject line.

(g) DEFINITION.—In this section, the term ''interactive computer service provider'' has the meaning given that term in section 230(e)(2) of the Communications Act of 1934 (47 U.S.C. 230(e)(2)).

SEC. 7. RECEIPT OF TRANSMISSIONS BY PRIVATE PERSONS.

(a) TERMINATION OF TRANSMISSIONS.—

(1) REQUEST.—A person who receives a transmission of unsolicited commercial electronic mail not otherwise authorized under this section may request, by electronic mail to the same electronic mail address from which the transmission originated, the termination of transmissions of such mail by the person initiating the transmission.

(2) DEADLINE.—A person receiving a request for the termination of transmissions of electronic mail under this subsection shall cease initiating transmissions of electronic mail to the person submitting the request not later than 48 hours after receipt of the request.

(b) AFFIRMATIVE AUTHORIZATION OF TRANSMISSIONS WITHOUT INFORMATION.—

(1) IN GENERAL.—Subject to paragraph (2), a person may authorize another person to initiate transmissions to the person of unsolicited commercial electronic mail without inclusion in such transmissions of the information required by section 3.

(2) TERMINATION.—

(A) NOTICE.—A person initiating transmissions of electronic mail under paragraph (1) shall include, with each transmission of such mail to a person authorizing the transmission under that paragraph, notice that the person authorizing the transmission may request at any time the recommencement of the inclusion in such transmissions of the information required by section 3.

(B) DEADLINE.—A person receiving a request under this paragraph shall include the information required by section 3 in all transmissions of unsolicited commercial electronic mail to the person making the request beginning not later than 48 hours after receipt of the request.

(c) CONSTRUCTIVE AUTHORIZATION OF TRANSMISSIONS WITHOUT INFORMATION.—

(1) IN GENERAL.—Subject to paragraph (2), a person who secures a good or service from, or otherwise responds electronically to, an offer in a transmission of unsolicited commercial electronic mail shall be deemed to have authorized transmissions of such mail without inclusion of the information required under section 3 from the person who initiates the transmission providing the basis for such authorization.

(2) TERMINATION.—

(A) REQUEST.—A person deemed to have authorized the transmissions of electronic mail under paragraph (1) may request at any time the recommencement of the inclusion in such transmissions of the information required by section 3.

(B) DEADLINE.—A person receiving a request under this paragraph shall include the information required by section 3 in all transmissions of unsolicited commercial electronic mail to the person making the request beginning not later than 48 hours after receipt of the request.

(d) EFFECTIVE DATE OF TERMINATION REQUIREMENTS.—Subsections (a), (b)(2), and (c)(2) shall take effect 30 days after the date of enactment of this Act.

SEC. 8. ACTIONS BY PRIVATE PERSONS.

(a) IN GENERAL.—Any person adversely affected by a violation of a provision of section 3 or 7, or an authorized person acting on such person's behalf, may, within 1 year after discovery of the violation, bring a civil action in a district court of the United States against a person who has violated the provision. Such an action may be brought to enjoin the violation, to enforce compliance with the provision, to obtain damages, or to obtain such further and other relief as the court considers appropriate.

(b) DAMAGES.—

(1) IN GENERAL.—The amount of damages in an action under this section for a violation specified in subsection (a) may not exceed $5,000 per violation.

(2) RELATIONSHIP TO OTHER DAMAGES.—Damages awarded for a violation under this subsection are in addition to any other damages awardable for the violation under any other provision of law.

(c) COST AND FEES.—The court, in issuing any final order in any action brought under subsection (a), may award costs of suit and reasonable attorney fees and expert witness fees for the prevailing party.

(d) VENUE; SERVICE OF PROCESS.—Any civil action brought under subsection (a) in a district court of the United States may be brought in the district in which the defendant is found, is an inhabitant, or transacts business or wherever venue is proper under section 1391 of title 28, United States Code. Process in such an action may be served in any district in which the defendant is an inhabitant or in which the defendant may be found.

SEC. 9. RELATION TO STATE LAWS.

(a) STATE LAW APPLICABLE UNLESS INCONSISTENT.—The provisions of this Act do not annul, alter, or affect the applicability to any person, or otherwise exempt from the applicability to any person, of the laws of any State with respect to the transmission of unsolicited commercial electronic, except to the extent that those laws are inconsistent with any provision of this Act, and then only to the extent of the inconsistency.

(b) REQUIREMENT RELATING TO DETERMINATION OF INCONSISTENCY.—The Commission may not determine that a State law is inconsistent with a provision of this Act if the Commission determines that such law places greater restrictions on the transmission of unsolicited commercial electronic mail than are provided for under such provision.

SEC. 10. DEFINITIONS.

In this Act:

(1) COMMERCIAL ELECTRONIC MAIL.—The term ''commercial electronic mail'' means any electronic mail that—

(A) contains an advertisement for the sale of a product or service;

(B) contains a solicitation for the use of a toll-free telephone number or a telephone number with a 900 prefix the use of which connects the user to a person or service that advertises the sale of or sells a product or service; or

(C) contains a list of one or more Internet sites that contain an advertisement referred to in subparagraph (A) or a solicitation referred to in subparagraph (B).

(2) COMMISSION.—The term ''Commission'' means the Federal Trade Commission.

(3) STATE.—The term ''State'' means any State of the United States, the District of Columbia, Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, the Republic of Palau, and any possession of the United States.

By Mr. SPECTER (for himself, Mr. COVERDELL and Mr. HUTCHINSON):

S. 772. A bill to establish an Office of Religious Persecution Monitoring, to provide for the imposition of sanctions against countries engaged in a pattern of religious persecution, and for other

purposes; to the Committee on Foreign Relations.

THE FREEDOM FROM RELIGIOUS PERSECUTION ACT OF 1997

Mr. SPECTER. Mr. President, I have sought recognition today to once again address the subject of religious persecution. I have stood here before describing the horrible tragedies occurring in many parts of the world. Sadly, very little has been done to combat the problem. That is why I am introducing the Freedom From Religious Persecution Act of 1997.

Religious persecution is a subject of great personal interest. Both of my parents, my father from the Ukraine, my mother from a small town on the Polish-Russian border, came to this country to avoid religious persecution. Freedom from religious persecution is a concept fundamental to the ideals of this country and to peoples everywhere.

Christians and other religious minorities have been and continue to be the victims of discrimination, rape, torture, enslavement, imprisonment, and even murder, because of their religious beliefs. This persecution continues today, often without diplomatic or other consequences for the offending regime. Christians are not the only ones being persecuted. Muslims and followers of other religions are also singled out for their beliefs.

In January 1996, the White House promised that a new senior advisor position would be created in the Office of the President dedicated specifically to the issue of religious persecution overseas. No such position was ever created. Instead, President Clinton established a committee in the State Department that will report to the Secretary of State and will advise the Secretary on violations of religious freedoms abroad. The committee has since met, months have gone by, but still no action has been taken. Mr. President, I and many of my colleagues agree that the time for action is now. We do not need more reviews and studies or more advice on the subject. The instances of religious persecution are well documented. We need action.

At the end of the 104th Congress, I introduced Senate Resolution 283, which discussed the need for quick, decisive action and called upon the President to appoint a White House advisor on religious persecution. After that, I worked with Senators NICKLES, Nunn, and COATS on a broader Senate Concurrent Resolution, 71, which included my provisions on a White House Senior Advisor on religious persecution. Senate Concurrent Resolution 71, which I cosponsored, passed the Senate by voice vote but there was insufficient time remaining in the 104th Congress to secure passage in the House.

So today, the persecution of Christians and other religious minorities continues to grow, often without diplomatic or other consequences for the offending regime. In countries such as Saudi Arabia, Sudan, China, and Ethiopia, Christians are systematically denied their religious liberties. Muslims have also been singled out for persecution in countries such as Burma, where Muslims are forced to relocate to undesirable areas and where Muslims are often denied educational opportunities.

Several examples illustrate the gravity of the problem. The Sudanese Government continues to essentially wage a war against its Christian population. Reports detail the forced enslavement and conversion of the Christian populations from the southern regions of Sudan. The Government bombs and burns Christians villages, has taken more than 30,000 Christian children as slaves in the last 6 years, and tortures Christian worshipers and their priests.

In Pakistan in February of this year, thousands of Christians were attacked, many houses and six churches were set on fire. Nearly 1,000 families were living in tents after being driven from their homes by rioters. Where was the Government to stop this terror? Where were the police?

Persecution of Christians is by no means limited to the Islamic world. China continues to be one of the worst offenders. At least 75 million Christians live in China but cannot practice their religion. Roman Catholics and Protestant Chinese are imprisoned and tortured for holding worship, preaching, or distributing bibles without permission.

This past August 1996, I traveled to China and met with Chinese Vice-Premier Qian Qichen to express my strong concerns about religious persecution in his country. On September 12, 1996, however, Chinese Premier Li Ping released a statement warning the Chinese people that the free exercise of their religious faith could result in harsh retribution.

In August 1996 I also visited Saudi Arabia and met with Crown Prince Abdullah to discuss the restrictions that country has on religious practices. I was deeply troubled by the fact that United States troops stationed in Saudi Arabia are not permitted to exercise their religious beliefs or even fly the American flag. According to the Pueblo Program on Religious Freedom of Freedom House, the Saudi Government has even insisted that the United States Government restrict Christian worship by American citizens on United States Embassy grounds in Saudi Arabia. American officials have apparently acquiesced to some of these demands by, for example, restricting Christian services at the Embassy in Riyadh and prohibiting Christmas services for United States troops defending Saudi interests during the gulf war.

Other examples of such persecution of Christians and other religious minorities abound. Earlier this year, I discussed the broad issue of religious persecution on the ''Capitol Enlightenment'' radio show in Virginia with host Bill Fenton and Jim Jacobson, president of Christian Solidarity International, and on ''The Diner'' cable television show in Pittsburgh, hosted by Tom Hinkling. The public response to these programs and my legislative efforts to combat religious persecution has been overwhelming. People from across the country have contacted me to urge me to continue the fight until Christians, Muslims, Jews, and others can practice their faith in any country without fear of reprisal.

The time has come for the United States to stand up for the right of all people to enjoy the fundamental freedom of religious faith. That is why I am introducing legislation with Congressman WOLF that will establish the position of Senior Advisor to the President dedicated to combating religious persecution overseas.

This legislation will also define degrees of religious persecution and will impose sanctions on offending entities. Degrees of religious persecution are defined by two categories of activity. The first is when religious persecution is ongoing and widespread and is carried out by the government or with the government's support. The second is when there is religious persecution that is not carried out with government support, but where the government fails to take serious efforts to eliminate the persecution.

The legislation will ban exports to the specific foreign government entity that carries out the persecution. These sanctions would take effect immediately upon the identification of the relevant entities and products. Additional sanctions would take effect after 90 days or 1 year depending on the level of persecution. In addition, the legislation includes immediate sanctions against Sudan, a country where religious persecution is particularly egregious.

This legislation requests more than just another report by the State Department. It is serious and it is tough. This legislation commits the United States to real action. There is no more time for talk.

Mr. President, I ask unanimous consent that the full text of the bill be inserted into the RECORD.

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

S. 772

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 ''Freedom From Religious Persecution Act of 1997''.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) Governments have a primary responsibility to promote, encourage, and protect respect for the fundamental and internationally recognized right to freedom of religion.

(2) The right to freedom of religion is recognized by numerous international agreements and covenants, including the following:

(A) Article 18 of the Universal Declaration of Human Rights states that ''Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to

change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance''.

(B) Article 18 of the Covenant on Civil and Political Rights declares that ''Everyone shall have the right to freedom of thought, conscience, and religion . . .'' and further delineates the privileges under this right.

(3) Persecution of religious believers, particularly Roman Catholic and evangelical Protestant Christians, in Communist countries, such as Cuba, Laos, the People's Republic of China, North Korea, and Vietnam, persists and in some cases is increasing.

(4) In many Islamic countries and regions thereof, governments persecute non-Muslims and religious converts from Islam using means such as ''blasphemy'' and ''apostasy'' laws, and militant movements seek to corrupt a historically tolerant Islamic faith and culture through the persecution of Baha'is, Christians, and other religious minorities.

(5) The militant, Islamic Government of Sudan is waging a self-described religious war against Christian, non-Muslim, and moderate Muslim persons by using torture, starvation, enslavement, and murder.

(6) In Tibet, where Tibetan Buddhism is inextricably linked to the Tibetan identity, the Government of the People's Republic of China has intensified its control over the Tibetan people by perverting the selection of the Panchen Lama, propagandizing against the religious authority of the Dalai Lama, restricting religious study and traditional religious practices, and increasing the persecution of monks and nuns.

(7) The United States Government is committed to the right to freedom of religion and its policies and relations with foreign governments should be consistent with the commitment to this principle.

(8) The 104th Congress recognized the facts set forth in this section and stated clearly the sense of the Senate and the House of Representatives regarding these matters in approving—

(A) H. Res. 515, expressing the sense of the House of Representatives with respect to the persecution of Christians worldwide;

(B) S. Con. Res. 71, expressing the sense of the Senate with respect to the persecution of Christians worldwide;

(C) H. Con. Res. 102, concerning the emancipation of the Iranian Baha'i community; and

(D) section 1303 of H.R. 1561, the Foreign Relations Authorization Act, Fiscal Years 1996 and 1997.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) DIRECTOR.—The term ''Director'' means the Director of the Office of Religious Persecution Monitoring established under section 5.

(2) PERSECUTED COMMUNITY.—The term ''persecuted community'' means any religious group or community identified in section 4.

(3) PERSECUTION FACILITATING PRODUCTS, GOODS, AND SERVICES.—The term ''persecution facilitating products, goods, and services'' means those products, goods, and services which are being used or determined to be intended for use directly and in significant measure to facilitate the carrying out of acts of religious persecution.

(4) RELIGIOUS PERSECUTION.—

(A) IN GENERAL.—The term ''religious persecution'' means widespread and ongoing persecution of persons because of their membership in or affiliation with a religion or religious denomination, whether officially recognized or otherwise, when such persecution includes abduction, enslavement, killing, imprisonment, forced mass resettlement, rape, or crucifixion or other forms of torture.

(B) CATEGORY 1 RELIGIOUS PERSECUTION.—Category 1 religious persecution is religious persecution that is conducted with the involvement or support of government officials or its agents, or as part of official government policy.

(C) CATEGORY 2 RELIGIOUS PERSECUTION.—Category 2 religious persecution is religious persecution that is not conducted with the involvement or support of government officials or its agents, or as part of official government policy, but which the government fails to undertake serious and sustained efforts to eliminate.

(5) RESPONSIBLE ENTITIES.—The term ''responsible entities'' means the specific government departments, agencies, or units which directly carry out acts of religious persecution.

(6) SANCTIONED COUNTRY.—The term ''sanctioned country'' means a country on which sanctions have been imposed under section 7.

(7) UNITED STATES ASSISTANCE.—The term ''United States assistance'' means—

(A) any assistance under the Foreign Assistance Act of 1961 (including programs under title IV of chapter 2 of part I of that Act, relating to the Overseas Private Investment Corporation), other than—

(i) assistance under chapter 8 of part I of that Act;

(ii) any other narcotics-related assistance under part I of that Act, (including chapter 4 of part II of that Act), but any such assistance provided under this clause shall be subject to the prior notification procedures applicable to reprogrammings pursuant to section 634A of that Act;

(iii) disaster relief assistance, including any assistance under chapter 9 of part I of that Act;

(iv) assistance which involves the provision of food (including monetization of food) or medicine; and

(v) assistance for refugees;

(B) sales, or financing on any terms, under the Arms Export Control Act;

(C) the provision of agricultural commodities, other than food, under the Agricultural Trade Development and Assistance Act of 1954; and

(D) financing under the Export-Import Bank Act of 1945.

(8) UNITED STATES PERSON.—Except as provided in section 12(b)(1), the term ''United States person'' means—

(A) any United States citizen or alien lawfully admitted for permanent residence into the United States; and

(B) any corporation, partnership, or other entity organized under the laws of the United States or of any State, the District of Columbia, or any territory or possession of the United States.

SEC. 4. APPLICATION AND SCOPE.

(a) SCOPE.—The provisions of this Act shall apply to all persecuted religious groups and communities, and all countries and regions thereof, referred to in the resolutions and bill set forth in paragraph (8) of section 2 or referred to in paragraphs (3) through (6) of section 2, and to any community within any country or region thereof that the Director finds, by a preponderance of the evidence, is the target of religious persecution.

(b) DESIGNATION OF ADDITIONAL COUNTRIES AND REGIONS THEREOF.—The Congress may designate additional countries or regions to which this Act applies by enacting legislation specifically citing the authority of this section.

SEC. 5. OFFICE OF RELIGIOUS PERSECUTION MONITORING.

(a) ESTABLISHMENT.—There is established in the Executive Office of the President the Office of Religious Persecution Monitoring (hereafter in this Act referred to as the ''Office'').

(b) APPOINTMENT.—The head of the Office shall be a Director who shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall receive compensation at the rate of pay in effect for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(c) REMOVAL.—The Director shall serve at the pleasure of the President.

(d) BARRED FROM OTHER FEDERAL POSITIONS.—No person shall serve as Director while serving in any other position in the Federal Government.

(e) RESPONSIBILITIES OF DIRECTOR.—The Director shall do the following:

(1) Consider the facts and circumstances of violations of religious freedom presented in the annual reports of the Department of State on human rights under sections 116(d) and 502B(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n(d) and 2304(b)).

(2) Consider the facts and circumstances of violations of religious freedom presented by independent human rights groups and nongovernmental organizations.

(3) In consultation with the Secretary of State, make policy recommendations to the President regarding the policies of the United States Government toward governments which are determined to be engaged in religious persecution.

(4) Prepare and submit the annual report described in section 6, including the determination whether a particular country is engaged in category 1 or category 2 religious persecution, and identify the responsible entities within such countries. This information shall be published in the Federal Register.

(5) Maintain the lists of persecution facilitating products, goods, and services, and the responsible entities within countries determined to be engaged in religious persecution, described in paragraph (4), adding to the list as information becomes available. This information shall be published in the Federal Register.

(6) Coordinate with the Secretary of State, the Attorney General, the Secretary of Commerce, and the Secretary of the Treasury to ensure that the provisions of this Act are fully and effectively implemented.

(f) ADMINISTRATIVE MATTERS.—

(1) PERSONNEL.—The Director may appoint such personnel as may be necessary to carry out the functions of the Office.

(2) SERVICES OF OTHER AGENCIES.—The Director may use the personnel, services, and facilities of any other department or agency, on a reimbursable basis, in carrying out the functions of the Office.

SEC. 6. REPORTS TO CONGRESS.

(a) ANNUAL REPORTS.—Not later than April 30 of each year, the Director shall submit to the Committees on Foreign Relations, Finance, the Judiciary, and Appropriations of the Senate and to the Committees on International Relations, Ways and Means, the Judiciary, and Appropriations of the House of Representatives a report described in subsection (b).

(b) CONTENTS OF ANNUAL REPORT.—The annual report of the Director shall include the following:

(1) DETERMINATION OF RELIGIOUS PERSECUTION.—With respect to each country or region thereof described in section 4, the Director shall include his or her determination, with respect to each persecuted community, whether there is category 1 religious persecution or category 2 religious persecution.

(2) IDENTIFICATION OF PERSECUTION FACILITATING PRODUCTS, GOODS, AND SERVICES.—

With respect to each country or region thereof which the Director determines is engaged in either category 1 or category 2 religious persecution, the Director, in consultation with the Secretary of State and the Secretary of Commerce, shall identify and list the persecution facilitating products, goods, and services.

(3) IDENTIFICATION OF RESPONSIBLE ENTITIES.—With respect to each country determined by the Director to be engaged in category 1 religious persecution, the Director, in consultation with the Secretary of State, shall identify and list the responsible entities within that country that are engaged in religious persecution. Such entities shall be defined as narrowly as possible.

(4) OTHER REPORTS.—The Director shall include the reports submitted to the Director by the Attorney General under section 9 and by the Secretary of State under section 10.

(c) INTERIM REPORTS.—The Director may submit interim reports to the Congress containing such matters as the Director considers necessary.

SEC. 7. SANCTIONS.

(a) PROHIBITION ON EXPORTS RELATING TO RELIGIOUS PERSECUTION.—

(1) ACTIONS BY RESPONSIBLE DEPARTMENTS AND AGENCIES.—With respect to any country in which—

(A) the Director finds the occurrence of category 1 religious persecution, the Director shall so notify the relevant United States departments and agencies, and such departments and agencies shall—

(i) prohibit all exports to the responsible entities listed under section 6(b)(3) or in any supplemental list of the Director; and

(ii) prohibit the export to such country of the persecution facilitating products, goods, and services listed under section 6(b)(2) or in any supplemental list of the Director; or

(B) the Director finds the occurrence of category 2 religious persecution, the Director shall so notify the relevant United States departments and agencies, and such departments and agencies shall prohibit the export to such country of the persecution facilitating products, goods, and services listed under section 6(b)(2) or in any supplemental list of the Director.

(2) PROHIBITIONS ON U.S. PERSONS.—(A) With respect to any country or region thereof in which the Director finds the occurrence of category 1 religious persecution, no United States person may—

(i) export any item to the responsible entities listed under section 6(b)(3) or in any supplemental list of the Director; and

(ii) export to that country any persecution facilitating products, goods, and services listed under section 6(b)(2) or in any supplemental list of the Director.

(B) With respect to any country in which the Director finds the occurrence of category 2 religious persecution, no United States person may export to that country any persecution facilitating products, goods, and services listed under section 6(b)(2) or in any supplemental report of the Director.

(3) PENALTIES.—Any person who violates the provisions of paragraph (2) shall be subject to the penalties set forth in subsections (a) and (b)(1) of section 16 of the Trading With the Enemy Act (50 U.S.C. App. 16(a) and (b)(1)) for violations under that Act.

(4) EFFECTIVE DATE OF PROHIBITIONS.—The prohibitions on exports under paragraph (1) shall take effect with respect to a country 90 days after the finding of category 1 or category 2 religious persecution in that country or region thereof, except as provided in section 11.

(b) UNITED STATES ASSISTANCE.—

(1) CATEGORY 1 RELIGIOUS PERSECUTION.—No United States assistance may be provided to the government of any country which the Director determines is engaged in category 1 religious persecution, effective 90 days after the date on which the Director submits the report in which the determination is included.

(2) CATEGORY 2 RELIGIOUS PERSECUTION.—No United States assistance may be provided to the government of any country which the Director determines is engaged in category 2 religious persecution, effective 1 year after the date on which the Director submits the report in which the determination is included, if the Director, in the next annual report of the Director under section 6, determines that the country is engaged in either category 1 or category 2 religious persecution.

(c) MULTILATERAL ASSISTANCE.—

(1) CATEGORY 1 RELIGIOUS PERSECUTION.—With respect to any country which the Director determines is engaged in category 1 religious persecution, the President shall instruct the United States Executive Director of each multilateral development bank and of the International Monetary Fund to vote against, and use his or her best efforts to deny, any loan or other utilization of the funds of their respective institutions (other than for humanitarian assistance) to that country, effective 90 days after the Director submits the report in which the determination is included.

(2) CATEGORY 2 RELIGIOUS PERSECUTION.—With respect to any country which the Director determines is engaged in category 2 religious persecution, the President shall instruct the United States Executive Director of each multilateral development bank and of the International Monetary Fund to vote against, and use his or her best efforts to deny, any loan or other utilization of the funds of their respective institutions (other than for humanitarian assistance) to that country, effective 1 year after the date on which the Director submits the report in which the determination is included, if the Director, in the next annual report of the Director under section 6, determines that the country is engaged in either category 1 or category 2 religious persecution.

(3) REPORTS TO DIRECTOR.—If a country described in paragraph (1) or (2) is granted a loan or other utilization of funds notwithstanding the objection of the United States under this subsection, the Executive Director of the institution that made the grant shall report to the President and the Congress on the efforts made to deny loans or other utilization of funds to that country, and shall include in the report specific and explicit recommendations designed to ensure that such loans or other utilization of funds are denied to that country in the future.

(4) DEFINITION.—As used in this subsection, the term ''multilateral development bank'' means any of the multilateral development banks as defined in section 1701(c)(4) of the International Financial Institutions Act (22 U.S.C. 262r(c)(4)).

(d) VOTES FOR WTO MEMBERSHIP.—In casting any vote concerning the membership of a country in the World Trade Organization, the President shall consider as a significant factor the fact that the country is listed in the Director's report as a country which is engaged in either category 1 or category 2 religious persecution.

(e) DENIAL OF VISAS.—The Secretary of State shall deny the issuance of a visa to, and the Attorney General shall exclude from the United States, any alien who the Director determines carried out or is responsible for carrying out acts of religious persecution.

SEC. 8. WAIVER OF SANCTIONS.

(a) WAIVER AUTHORITY.—Subject to subsection (b), the President may waive the imposition of any sanction against a country under section 7 for periods of not more than 12 months each, if the President, for each waiver—

(1) determines that national security interests justify such a waiver; and

(2) provides to the Committees on Foreign Relations, Finance, the Judiciary, and Appropriations of the Senate and to the Committees on International Relations, Ways and Means, the Judiciary, and Appropriations of the House of Representatives a written notification of the President's intention to waive any such sanction.

The justification shall contain an explanation of the reasons why the President considers the waiver to be necessary, the type and amount of goods, services, or assistance to be provided pursuant to the waiver, and the period of time during which such a waiver will be effective.

(b) TAKING EFFECT OF WAIVER.—

(1) IN GENERAL.—Subject to paragraph (2), a waiver under subsection (a) shall take effect 45 days after its submission to the Congress.

(2) IN EMERGENCY CONDITIONS.—The President may waive the imposition of sanctions against a country under subsection (b) or (c) of section 7 to take effect immediately if the President, in the written notification of intention to waive the sanctions, certifies that emergency conditions exist that make an immediate waiver necessary.

(3) COMPUTATION OF 45-DAY PERIOD.—The 45-day period referred to in this subsection shall be computed by excluding—

(A) the days on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die; and

(B) any Saturday and Sunday, not excluded under paragraph (1), when either House is not in session.

SEC. 9. MODIFICATION OF IMMIGRATION POLICY.

(a) CREDIBLE FEAR OF PERSECUTION DEFINED.—Section 235(b)(1)(B)(v) of the Immigration and Nationality Act (8 U.S.C. 1225(b)(1)(B)(v)) (as amended by section 302 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996; Public Law 104–208; 110 Stat. 3009–582) is amended by adding at the end the following:

''Any alien who can credibly claim membership in a persecuted community found to be subject to category 1 or category 2 religious persecution in the most recent annual report sent by the Director of the Office of Religious Persecution Monitoring to the Congress under section 6 of the Freedom From Religious Persecution Act of 1997 shall be considered to have a credible fear of persecution within the meaning of the preceding sentence.''.

(b) TRAINING FOR CERTAIN IMMIGRATION OFFICERS.—Section 235 of the Immigration and Nationality Act (8 U.S.C. 1225) (as amended by section 302 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996; Public Law 104–208; 110 Stat. 3009–579) is amended by adding at the end the following:

''(d) TRAINING ON RELIGIOUS PERSECUTION.—The Attorney General shall establish and operate a program to provide to immigration officers performing functions under subsection (b), or section 207 or 208, training on religious persecution, including training on—

''(1) the fundamental components of the right to freedom of religion;

''(2) the variation in beliefs of religious groups; and

''(3) the governmental and nongovernmental methods used in violation of the right to freedom of religion.''.

(c) ASYLUM.—Section 208 of the Immigration and Nationality Act (8 U.S.C. 1158) (as

amended by section 604 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996; Public Law 104–208; 1110 Stat. 3009–690) is amended by adding at the end the following:

''(e) SPECIAL RULES FOR RELIGIOUS PERSECUTION CLAIMS.—

''(1) PROCEDURES UPON DENIAL.—

''(A) IN GENERAL.—In any case in which the Service denies, or refers to an immigration Judge, an asylum application filed by an alien described in the second sentence of section 235(b)(1)(B)(v), or in any case in which an immigration Judge denies such an application on the ground that the alien is not a refugee within the meaning of section 101(a)(42)(A), the Service shall provide the alien with the following:

''(i) A written statement containing the reasons for the denial, which shall be supported by references to—

''(I) the most recent annual report sent by the Director of the Office of Religious Persecution Monitoring to the Congress under section 6 of the Freedom From Religious Persecution Act of 1997; and

''(II) either—

''(aa) the most recent country report on human rights practices issued by the Secretary of State; or

''(bb) any other report issued by the Secretary of State concerning conditions in the country of which the alien is a national (or, in the case of an alien having no nationality, the country of the alien's last habitual residence).

''(ii) A copy of any assessment sheet prepared by an asylum officer for a supervisory asylum officer with respect to the application.

''(iii) A list of any publicly available materials relied upon by an asylum officer as a basis for denying the application.

''(iv) A copy of any materials relied upon by an asylum officer as a basis for denying the application that are not available to the public, except Federal agency records that are exempt from disclosure under section 552(b) of title 5, United States Code.

''(B) CREDIBILITY IN ISSUE.—In any case described in subparagraph (A) in which the denial is based, in whole or in part, on credibility grounds, the Service shall also provide the alien with the following:

''(i) The statements by the applicant, or other evidence, that were found not to be credible.

''(ii) A statement certifying that the applicant was provided an opportunity to respond to the Service's position on the credibility issue.

''(iii) A brief summary of such response, if any was made.

''(iv) An explanation of how the negative determination on the credibility issue relates to the applicant's religious persecution claim.

''(2) EFFECT IN SUBSEQUENT PROCEEDINGS.—

''(A) USE AT OPTION OF APPLICANT.—Any material provided to an alien under paragraph (1) shall be considered part of the official record pertaining to the alien's asylum application solely at the option of the alien.

''(B) NO EFFECT ON REVIEW.—The provision of any material under paragraph (1) to an alien shall not be construed to alter any standard of review otherwise applicable in any administrative or judicial adjudication concerning the alien's asylum application.

''(3) DUTY TO SUBMIT REPORT ON RELIGIOUS PERSECUTION.—In any judicial or administrative proceeding in which the Service opposes granting asylum to an alien described in the second sentence of section 235(b)(1)(B)(v), the Service shall submit to the court or administrative adjudicator a copy of the most recent annual report submitted to the Congress by the Director of the Office of Religious Persecution Monitoring under section 6 of the Freedom From Religious Persecution Act of 1997, and any interim reports issued by such Director after such annual report.''.

(d) ANNUAL REPORT.—Not later than January 1 of each year, the Attorney General shall submit to the Director an annual report that includes the following:

(1) With respect to the year that is the subject of the report, the number of applicants for asylum or refugee status whose applications were based, in whole or in part, on religious persecution.

(2) In the case of such applications, the number that were proposed to be denied, and the number that were finally denied.

(3) In the case of such applications, the number that were granted.

(4) A description of developments with respect to the adjudication of applications for asylum or refugee status filed by an alien who claims to be a member of a persecuted community that the Director found to be subject to category 1 or category 2 religious persecution in the most recent annual report submitted to the Congress under section 6.

(5) With respect to the year that is the subject of the report, a description of training on religious persecution provided under section 235(d) of the Immigration and Nationality Act (as added by subsection (b)) to immigration officers performing functions under section 235(b) of such Act, or adjudicating applications under section 207 or 208 of such Act, including a list of speakers and materials used in such training and the number of officers who received such training.

(e) ADMISSION PRIORITY.—For purposes of section 207(a)(3) of the Immigration and Nationality Act, an individual who is a member of a persecuted community that the Director found to be subject to category 1 or category 2 religious persecution in the most recent annual report submitted to the Congress under section 6, and is determined by the Attorney General to be a refugee within the meaning of section 101(a)(42)(A) of the Immigration and Nationality Act, shall be considered a refugee of special humanitarian concern to the United States. In carrying out such section, such an individual shall be given priority status at least as high as that given to any member of any other specific group of refugees of special concern to the United States.

(f) NO EFFECT ON OTHERS' RIGHTS.—Nothing in this section, or any amendment made by this section, shall be construed to deny any applicant for asylum or refugee status any right, privilege, protection, or eligibility otherwise provided by law.

SEC. 10. STATE DEPARTMENT HUMAN RIGHTS REPORTS.

(a) ANNUAL HUMAN RIGHTS REPORT.—In preparing the annual reports of the State Department on human rights under sections 116(d) and 502B(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n(d) and 2304(b)), the Secretary of State shall, in the section on religious freedom—

(1) consider the facts and circumstances of the violation of the right to freedom of religion presented by independent human rights groups and nongovernmental organizations;

(2) report on the extent of the violations of the right to freedom of religion, specifically including whether the violations arise from governmental or nongovernmental sources, and whether the violations are encouraged by the government or whether the government fails to exercise satisfactory efforts to control such violations;

(3) report on whether freedom of religion violations occur on a nationwide, regional, or local level; and

(4) identify whether the violations are focused on an entire religion or on certain denominations or sects.

(b) TRAINING.—The Secretary of State shall—

(1) institute programs to provide training for chiefs of mission as well as Department of State officials—

(A) having reporting responsibilities regarding the freedom of religion, which shall include training on the fundamental components of the right to freedom of religion, the variation in beliefs of religious groups, and the governmental and nongovernmental methods used in the violation of the right to freedom of religion; and

(B) the identification of independent human rights groups and nongovernmental organizations with expertise in the matters described in subparagraph (A); and

(2) submit to the Director, not later than January 1 of each year, a report describing all training provided to Department of State officials with respect to religious persecution during the preceding 1-year period, including a list of instructors and materials used in such training and the number and rank of individuals who received such training.

SEC. 11. TERMINATION OF SANCTIONS.

(a) TERMINATION OF SANCTIONS.—If the Director determines that a sanctioned country has substantially eliminated religious persecution in that country, the Director shall notify the Congress of that determination in writing. The sanctions described in section 7 shall cease to apply with respect to that country 45 days after the Congress receives the notification of such a determination. The 45-day period referred to in this section shall be computed by excluding—

(1) the days on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die; and

(2) any Saturday and Sunday, not excluded under paragraph (1), when either House is not in session.

(b) WITHDRAWAL OF FINDING.—Any determination of the Director under section 6 may be withdrawn before taking effect if the Director makes a written determination, on the basis of a preponderance of the evidence, that the country substantially eliminated any category 1 or category 2 religious persecution that existed in that country. The Director shall submit to the Congress each determination under this subsection.

SEC. 12. SANCTIONS AGAINST SUDAN.

(a) EXTENSION OF SANCTIONS UNDER EXISTING LAW.—Any sanction imposed on Sudan because of a determination that the government of that country has provided support for acts of international terrorism, including—

(1) export controls imposed pursuant to the Export Administration Act of 1979,

(2) prohibitions on transfers of munitions under section 40 of the Arms Export Control Act,

(3) the prohibition on assistance under section 620A of the Foreign Assistance Act of 1961,

(4) section 2327(a) of title 10, United States Code,

(5) section 6 of the Bretton Woods Agreements Act Amendments, 1978 (22 U.S.C. 286e–11),

(6) section 527 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997 (as contained in Public Law 104–208), and

(7) section 901(j) of the Internal Revenue Code of 1986,

shall continue in effect after the enactment of this Act until the Director determines, in accordance with section 11, that Sudan has substantially eliminated religious persecution in that country, or the determination

that the government of that country has provided support for acts of international terrorism is no longer in effect, whichever occurs later. For purposes of the preceding sentence, the reference in section 11 to ''sanctions described in section 7'' shall be deemed to refer to sanctions described in paragraphs (1) through (7) of this subsection.

(b) ADDITIONAL SANCTIONS ON SUDAN.—Effective 90 days after the date of the enactment of this Act, the following sanctions (to the extent not covered under subsection (a)) shall apply with respect to Sudan:

(1) PROHIBITION ON FINANCIAL TRANSACTIONS WITH GOVERNMENT OF SUDAN.—

(A) OFFENSE.—Any United States person who knowingly engages in any financial transaction, including any loan or other extension of credit, directly or indirectly, with the Government of Sudan shall be fined in accordance with title 18, United States Code, or imprisoned for not more than 10 years, or both.

(B) DEFINITIONS.—As used in this paragraph:

(i) FINANCIAL TRANSACTION.—The term ''financial transaction'' has the meaning given that term in section 1956(c)(4) of title 18, United States Code.

(ii) UNITED STATES PERSON.—The term ''United States person'' means—

(I) any United States citizen or national;

(II) any permanent resident alien;

(III) any juridical person organized under the laws of the United States; and

(IV) any person in the United States.

(2) PROHIBITION ON IMPORTS FROM SUDAN.—No article which is grown, produced, manufactured by, marketed, or otherwise exported by the Government of Sudan, may be imported into the United States.

(3) PROHIBITIONS ON UNITED STATES EXPORTS TO SUDAN.—

(A) PROHIBITION ON COMPUTER EXPORTS.—No computers, computer software, or goods or technology intended to manufacture or service computers may be exported to or for use of the Government of Sudan.

(B) REGULATIONS OF THE SECRETARY OF COMMERCE.—The Secretary of Commerce may prescribe such regulations as may be necessary to carry out subparagraph (A).

(C) PENALTIES.—Any person who violates this paragraph shall be subject to the penalties provided in section 11 of the Export Administration Act of 1979 (50 U.S.C. App. 2410) for violations under that Act.

(4) PROHIBITION ON NEW INVESTMENT IN SUDAN.—

(A) PROHIBITION.—No United States person may, directly or through another person, make any new investment in Sudan that is not prohibited by paragraph (1).

(B) REGULATIONS.—The Secretary of Commerce may prescribe such regulations as may be necessary to carry out subparagraph (A).

(C) PENALTIES.—Any person who violates this paragraph shall be subject to penalties provided in section 11 of the Export Administration Act of 1979 (50 U.S.C. App. 2410) for violations under that Act.

(5) AVIATION RIGHTS.—

(A) AIR TRANSPORTATION RIGHTS.—The Secretary of Transportation shall prohibit any aircraft of a foreign air carrier owned or controlled, directly or indirectly, by the Government of Sudan or operating pursuant to a contract with the Government of Sudan from engaging in air transportation with respect to the United States, except that such aircraft shall be allowed to land in the event of an emergency for which the safety of an aircraft's crew or passengers is threatened.

(B) TAKEOFFS AND LANDINGS.—The Secretary of Transportation shall prohibit the takeoff and landing in Sudan of any aircraft by an air carrier owned, directly or indirectly, or controlled by a United States person, except that such aircraft shall be allowed to land in the event of an emergency for which the safety of an aircraft's crew or passengers is threatened, or for humanitarian purposes.

(C) TERMINATION OF AIR SERVICE AGREEMENTS.—To carry out subparagraphs (A) and (B), the Secretary of State shall terminate any agreement between the Government of Sudan and the Government of the United States relating to air services between their respective territories.

(D) DEFINITIONS.—For purposes of this paragraph, the terms ''aircraft'', ''air transportation'', and ''foreign air carrier'' have the meanings given those terms in section 40102 of title 49, United States Code.

(6) PROHIBITION ON PROMOTION OF UNITED STATES TOURISM.—None of the funds appropriated or otherwise made available by any provision of law may be available to promote United States tourism in Sudan.

(7) GOVERNMENT OF SUDAN BANK ACCOUNTS.—

(A) PROHIBITION.—A United States depository institution may not accept, receive, or hold a deposit account from the Government of Sudan, except for such accounts which may be authorized by the President for diplomatic or consular purposes.

(B) ANNUAL REPORTS.—The Secretary of the Treasury shall submit annual reports to the Congress on the nature and extent of assets held in the United States by the Government of Sudan.

(C) DEFINITION.—For purposes of this paragraph, the term ''depository institution'' has the meaning given that term in section 19(b)(1) of the Act of December 23, 1913 (12 U.S.C. 461(b)(1)).

(8) PROHIBITION ON UNITED STATES GOVERNMENT PROCUREMENT FROM SUDAN.—

(A) PROHIBITION.—No department, agency, or any other entity of the United States Government may enter into a contract for the procurement of goods or services from parastatal organizations of Sudan except for items necessary for diplomatic or consular purposes.

(B) DEFINITION.—As used in this paragraph, the term ''parastatal organization of Sudan'' means a corporation, partnership, or entity owned, controlled, or subsidized by the Government of Sudan.

(9) PROHIBITION ON UNITED STATES APPROPRIATIONS FOR USE AS INVESTMENTS IN OR TRADE SUBSIDIES FOR SUDAN.—None of the funds appropriated or otherwise made available by any provision of law may be available for any new investment in, or any subsidy for trade with, Sudan, including funding for trade missions in Sudan and for participation in exhibitions and trade fairs in Sudan.

(10) PROHIBITION ON COOPERATION WITH ARMED FORCES OF SUDAN.—No agency or entity of the United States may engage in any form of cooperation, direct or indirect, with the armed forces of Sudan, except for activities which are reasonably necessary to facilitate the collection of necessary intelligence. Each such activity shall be considered as significant anticipated intelligence activity for purposes of section 501 of the National Security Act of 1947 (50 U.S.C. 413).

(11) PROHIBITION ON COOPERATION WITH INTELLIGENCE SERVICES OF SUDAN.—

(A) SANCTION.—No agency or entity of the United States involved in intelligence activities may engage in any form of cooperation, direct or indirect, with the Government of Sudan, except for activities which are reasonably designed to facilitate the collection of necessary intelligence.

(B) POLICY.—It is the policy of the United States that no agency or entity of the United States involved in intelligence activities may provide any intelligence information to the Government of Sudan which pertains to any internal group within Sudan. Any change in such policy or any provision of intelligence information contrary to this policy shall be considered a significant anticipated intelligence activity for purposes of section 501 of the National Security Act of 1947 (50 U.S.C. 413).

The sanctions described in this subsection shall apply until the Director determines, in accordance with section 11, that Sudan has substantially eliminated religious persecution in that country. For purposes of the preceding sentence, the reference in section 11 to ''sanctions described in section 7'' shall be deemed to refer to the sanctions imposed under this subsection.

(c) MULTILATERAL EFFORTS TO END RELIGIOUS PERSECUTION IN SUDAN.—

(1) EFFORTS TO OBTAIN MULTILATERAL MEASURES AGAINST SUDAN.—It is the policy of the United States to seek an international agreement with the other industrialized democracies to bring about an end to religious persecution by the Government of Sudan. The net economic effect of such international agreement should be measurably greater than the net economic effect of the other measures imposed by this section.

(2) COMMENCEMENT OF NEGOTIATIONS TO INITIATE MULTILATERAL SANCTIONS AGAINST SUDAN.—It is the sense of the Congress that the President or, at his direction, the Secretary of State should convene an international conference of the other industrialized democracies in order to reach an international agreement to bring about an end to religious persecution in Sudan. The international conference should begin promptly and should be concluded not later than 180 days after the date of the enactment of this Act.

(3) PRESIDENTIAL REPORT.—Not less than 210 days after the date of the enactment of this Act, the President shall submit to the Congress a report containing—

(A) a description of United States' efforts to negotiate multilateral measures to bring about an end to religious persecution in Sudan; and

(B) a detailed description of economic and other measures adopted by the other industrialized countries to bring about an end to religious persecution in Sudan, including an assessment of the stringency with which such measures are enforced by those countries.

(4) CONFORMITY OF UNITED STATES MEASURES TO INTERNATIONAL AGREEMENT.—If the President successfully concludes an international agreement described in paragraph (2), the President may, after such agreement enters into force with respect to the United States, adjust, modify, or otherwise amend the measures imposed under any provision of this section to conform with such agreement.

(5) PROCEDURES FOR AGREEMENT TO ENTER INTO FORCE.—Each agreement submitted to the Congress under this subsection shall enter into force with respect to the United States if—

(A) the President, not less than 30 days before the day on which the President enters into such agreement, notifies the House of Representatives and the Senate of the President's intention to enter into such an agreement, and promptly thereafter publishes notice of such intention in the Federal Register;

(B) after entering into the agreement, the President transmits to the House of Representatives and to the Senate a document containing a copy of the final text of such agreement, together with—

(i) a description of any administrative action proposed to implement such agreement

and an explanation as to how the proposed administrative action would change or affect existing law; and

(ii) a statement of the President's reasons regarding—

(I) how the agreement serves the interest of United States foreign policy; and

(II) why the proposed administrative action is required or appropriate to carry out the agreement; and

(C) a joint resolution approving such agreement has been enacted, in accordance with section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98–473 (98 Stat. 1936)), within 30 days of transmittal of such document to the Congress.

For purposes of applying such section 8066(c), any reference in such section to ''joint resolution'', ''resolution'', or ''resolution described in paragraph (1)'' shall be deemed to refer to a joint resolution described in subparagraph (C) of this paragraph.

(6) UNITED NATIONS SECURITY COUNCIL IMPOSITION OF SAME MEASURES AGAINST SUDAN.—It is the sense of the Congress that the President should instruct the Permanent Representative of the United States to the United Nations to propose that the United Nations Security Council, pursuant to Article 41 of the United Nations Charter, impose measures against Sudan of the same type as are imposed by this section.

(d) ADDITIONAL MEASURES AND REPORTS; RECOMMENDATIONS OF THE PRESIDENT.—

(1) UNITED STATES POLICY TO END RELIGIOUS PERSECUTION.—It shall be the policy of the United States to impose additional measures against the Government of Sudan if its policy of religious persecution has not ended on or before December 25, 1997.

(2) REPORT TO CONGRESS.—The Director shall prepare and transmit to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate on or before February 1, 1998, and every 12 months thereafter, a report determining whether the policy of religious persecution by the Government of Sudan has ended.

(3) RECOMMENDATION FOR IMPOSITION OF ADDITIONAL MEASURES.—If the Director determines that the policy of religious persecution by the Government of Sudan has not ended, the President shall prepare and transmit to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate on or before March 1, 1998, and every 12 months thereafter, a report setting forth recommendations for such additional measures and actions against the Government of Sudan as the Director determines will end the government's policy of religious persecution.

(e) DEFINITIONS.—As used in this section—

(1) GOVERNMENT OF SUDAN.—The term ''Government of Sudan'' includes any agency or instrumentality of the Government of Sudan.

(2) NEW INVESTMENT IN SUDAN.—The term ''new investment in Sudan''—

(A) means—

(i) a commitment or contribution of funds or other assets, or

(ii) a loan or other extension of credit,

that is made on or after the effective date of this subsection; and

(B) does not include—

(i) the reinvestment of profits generated by a controlled Sudanese entity into that same controlled Sudanese entity, or the investment of such profits in a Sudanese entity;

(ii) contributions of money or other assets where such contributions are necessary to enable a controlled Sudanese entity to operate in an economically sound manner, without expanding its operations; or

(iii) the ownership or control of a share or interest in a Sudanese entity or a controlled Sudanese entity or a debt or equity security issued by the Government of Sudan or a Sudanese entity before the date of the enactment of this Act, or the transfer or acquisition of such a share or interest, or debt or equity security, if any such transfer or acquisition does not result in a payment, contribution of funds or assets, or credit to a Sudanese entity, a controlled Sudanese entity, or the Government of Sudan.

(3) CONTROLLED SUDANESE ENTITY.—The term ''controlled Sudanese entity'' means—

(A) a corporation, partnership, or other business association or entity organized in Sudan and owned or controlled, directly or indirectly, by a United States person; or

(B) a branch, office, agency, or sole proprietorship in Sudan of a United States person.

(4) SUDANESE ENTITY.—The term ''Sudanese entity'' means—

(A) a corporation, partnership, or other business association or entity organized in Sudan; or

(B) a branch, office, agency, or sole proprietorship in Sudan of a person that resides or is organized outside Sudan.

SEC. 13. EFFECTIVE DATE.

(a) IN GENERAL.—Subject to subsections (b) and (c), and except as provided in section 12, this Act and the amendments made by this Act shall take effect 120 days after the date of the enactment of this Act.

(b) APPOINTMENT OF DIRECTOR.—The Director shall be appointed not later than 60 days after the date of the enactment of this Act.

(c) REGULATIONS.—Each Federal department or agency responsible for carrying out any of the sanctions under section 7 shall issue all necessary regulations to carry out such sanctions within 120 days after the date of the enactment of this Act.

By Mr. DURBIN (for himself, Mr. TORRICELLI, Ms. MOSELEY-BRAUN, MRS. MURRAY, Mr. FEINGOLD, Mr. KENNEDY, Mr. KERRY, Mrs. Boxer, and Mr. REED):

S. 773. A bill to designate certain Federal lands in the State of Utah as wilderness, and for other purposes; to the Committee on Energy and Natural Resources.

AMERICA'S RED ROCK WILDERNESS ACT

Mr. DURBIN. Mr. President, today I am introducing America's Red Rock Wilderness Act to protect an important part of our Nation's natural heritage. America's Red Rock Wilderness Act designates 5.7 million acres of the 22 million acres of public, Bureau of Land Management (BLM) lands in Southern Utah as wilderness.

Passage of America's Red Rock Wilderness Act is essential to protect a national treasure for future generations of Americans. A companion bill, H.R. 1500, has been introduced in the House by Representative MAURICE HINCHEY with over 100 original cosponsors.

America's Red Rock Wilderness Act will protect 5.7 million acres of magnificent canyons, red rock cliffs and rock formations which are unlike any on Earth. The lands included in this legislation contain steep slick rock canyons, high cliffs offering spectacular vistas of rare rock formations, important archeological sites and rare plant and animal species. Each year, almost 8 million people from across the United States and the world visit these lands to see a part of their natural heritage and experience the beauty and solitude of this wilderness area.

However, these fragile, scenic lands are threatened by oil, gas and mining interests which are willing to sacrifice these lands for short-term economic gain. These wilderness areas are also threatened by off-road vehicle use and proposals to construct roads, communication towers, transmission lines, and dams.

Because of flaws in the original wilderness inventory conducted by BLM during the Reagan administration, only 3.2 million acres in southern Utah are currently protected as wilderness study areas. The wilderness areas included in America's Red Rock Wilderness Act are based on a careful assessment of BLM lands which meet the criteria for wilderness designation by citizen groups that form the Utah Wilderness Coalition. Unlike other proposals, this legislation does not include special interest exemptions that would undermine the integrity of the 1964 Wilderness Act.

America's Red Rock Wilderness Act is supported by a broad coalition of environmental organizations and citizen groups. In a national survey conducted by USA Today, over 90 percent of the respondents supported the designation of 5.7 million acres in southern Utah as wilderness. Newspapers across the Nation have also editorialized in support of protecting America's Red Rock Wilderness Area.

Theodore Roosevelt once stated that, ''The Nation behaves well if it treats the natural resources as assets which it must turn over to the next generation increased and not impaired in value.'' Because of the foresight of leaders like Theodore Roosevelt, national treasures such as the Grand Canyon and Yellowstone were preserved for all Americans. I urge my colleagues to join me in this effort to protect America's Red Rock Wilderness Area in southern Utah for future generations.

Mr. FEINGOLD. Mr. President, I am very pleased to be joining the junior Senator from Illinois [Mr. DURBIN] as an original cosponsor of legislation to designate 5.7 million acres of Federal lands in Utah as wilderness.

Though this is the first time this particular measure has been introduced in this body, it is not the first time that the protection of Utah's public lands has been before the Senate. During the last Congress, I joined with the former Senator from New Jersey, Mr. Bradley, in opposing the Omnibus Parks legislation because it contained provisions, which were eventually removed, that many in my home State of Wisconsin believed not only designated as wilderness too little of the Bureau of Land Management's holding in Utah deserving of such protection, but also substantively changed the protections afforded designated lands under the Wilderness Act of 1964.

Wallace Stegner wrote ''No place is a place until things that have happened there are remembered in history, ballads, yarns, legends, or monuments.''

The lands of southern Utah are legendary, alive, and well remembered in

the minds and hearts of the people of Wisconsin. In writing to me last Congress, my constituents described these lands as places of special family moments, healing silence, and incredible beauty. In March 1996, during debate on the omnibus parks bill, Ed Culhane of the Appleton Post-Crescent wrote:

This is some of the most beautiful landscape in the world and each year hundreds of thousands of people hike into these canyons, into this hard, dry land of varnished cliffs and blasted mesas.

Aldo Leopold once asked if a still higher standard of living was worth its cost in things natural, wild, and free. If we lose the Redrock Wilderness, we will get precious little in return.

Some may say, Mr. President, that this legislation is unnecessary and Utah already has the ''monument'' that Wallace Stegner wrote about, designated by President Clinton on September 18, 1997. However, it is important to note, the land of the Grand Staircase Escalante National Monument, included among the lands to be given wilderness protection in this bill, is less than one third of the lands this bill protects.

I supported the President's actions to designate the Grand Staircase Escalante National Monument. On September 17, 1997, amid reports of the pending designation, I authored a letter to President Clinton, cosigned by six other members of the Senate, supporting that action. That letter concluded with the following statement ''We remain interested in working with the Administration on appropriate legislation to evaluate and protect the full extent of public lands in Utah that meet the criteria of the 1964 Wilderness Act.''

I believe that the measure being introduced today accomplishes that goal. Identical in its designations to H.R. 1500 sponsored in the other body by Representative MAURICE HINCHEY of New York, it is the culmination of more than 10 years and four Congresses of effort in the other body beginning with the legislative work of the former Congressman from Utah, Mr. Owens.

The measure protects wild lands that really are not done justice in words. Truly remarkable American resources of red rock cliff walls, desert, canyons and gorges are found on these BLM lands which encompass the canyon country of the Colorado Plateau, the Mojave Desert and portions of the Great Basin. They include mountain ranges in western Utah, stark areas like the new National Monument, and wildlife intensive areas like the Deep Creek and Stansbury Mountains, that support habitat for deer, elk, cougars, bobcats, bighorn sheep, coyotes, birds, reptiles, and other wildlife. These regions appeal to all types of American outdoor interests from hikers and sightseers to hunters.

Phil Haslanger of the Capital Times, a paper in Madison, answered an important question I am often asked when people want to know why a Senator from Wisconsin would cosponsor legislation to protect lands in Utah. He wrote on September 13, 1995 simply that ''These are not scenes that you could see in Wisconsin. That's part of what makes them special.'' He continues, and adds what I think is an even more important reason to act to protect these lands than the landscape's uniqueness, ''the fight over wilderness lands in Utah is a test case of sorts. The anti-environmental factions in Congress are trying hard to remove restrictions on development in some of the Nation's most splendid areas.''

Wisconsinites are watching this test case closely. I believe, Mr. President, that Wisconsinites view the outcome of this fight to save Utah's lands as a sign of where the Nation is headed with respect to its stewardship of natural resources in Wisconsin. For example, some in my home State believe that among Federal lands that comprise the Apostle Islands National Lakeshore and the Nicolet and Chequamegon National Forests there are lands that are deserving of wilderness protection. I know first hand what spectacular and special places these Federal properties are, and what they mean to the people of Wisconsin. Wisconsinites want to know that, should additional lands in Wisconsin be brought forward for wilderness designation, the type of protection they expect from Federal law is still available to be extended because it had been properly extended to other places of national significance.

What Haslanger's Capital Times comments make clear is that while some in Congress may express concern about creating new wilderness in Utah, wilderness, as Wisconsinites know, is not created by legislation. Legislation to protect existing wilderness insures that future generations may have an experience on public lands equal to that which is available today. The action of Congress to preserve wild lands by extending the protections of the Wilderness Act of 1964 publicly codifies that expectation and promise.

Finally, and perhaps the most important reason why this legislation is receiving my support, and deserves the support of others in this body, is that all of the 5.7 million acres that will be protected under this bill are already public lands held in trust by the Federal Government. Thus, while they are physically located in Utah, their preservation is important to the citizens of Wisconsin as it is for others.

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

By Mr. CRAIG (for himself and Mr. KEMPTHORNE):

S. 774. A bill to provide for the stabilization, enhancement, restoration, and management of the Coeur d'Alene River basin watershed; to the Committee on Environment and Public Works.

THE COEUR D'ALENE RIVER BASIN ENVIRONMENTAL RESTORATION ACT OF 1997

● Mr. CRAIG. Mr. President, I am today introducing, with the cosponsorship of Senator KEMPTHORNE, the Coeur d'Alene River Basin Environmental Restoration Act of 1997. This legislation would allow for a workable solution to clean up the historic effects of mining on the Coeur d'Alene Basin in North Idaho. This bill is similar to a bill (S. 1614) I introduced in the last Congress.

This legislation establishes a process that is centered around an action plan developed between the Governor of the State of Idaho and a Citizens Advisory Commission comprised of fourteen representatives of affected State and Federal government agencies, private citizens, the Coeur d'Alene Indian Tribe; and affected industries. The responsibilities of this Commission are very important to the ultimate success of cleaning up the Basin. I would like to note that a Commission that mirrors the one in this legislation was created by the Idaho legislature and that legislation was signed into law by Governor Phil Batt. I am indeed pleased that Idaho has put in place the citizen committee that is the crux of this plan to clean up the Silver Valley.

The Silver Valley of North Idaho has made contributions to the national economy and to all of our country's war efforts for well over a century. The federal government has been involved in every phase of mineral production over the history of the Valley. It is, therefore, appropriate that Congress specifically legislate a resolution of natural resources damages in the Coeur d'Alene Basin and participate in funding such a plan.

I want to make clear this legislation does not interfere with the ongoing Superfund cleanup within the 21-square mile Bunker Hill site. This legislation sets up a framework for voluntary cleanup of affected areas outside this 21-square mile area. In drafting this legislation, I have worked with the mining industry, the Coeur d'Alene tribe, local governments, the Governor of Idaho, and citizens in North Idaho. It is only through the involvement of all these parties that a solution will be reached.

Throughout this effort it has been clear that all parties want the Basin cleaned up, and they want the cleanup done with the concerns of local citizens and entities addressed and with controls and cleanup decisions made in Idaho, not in Washington, DC. These are the guiding principles that I have applied in developing this legislation.

Local cleanup has already begun in the headwaters of the Basin's drainage. Nine Mile Creek and Canyon Creek have had proven engineering designs implemented within their drainages. The Coeur d'Alene River Basin Environmental Restoration Act of 1997 would assure this type of meaningful restoration could continue. However, the actions needed in each part of the Basin are not clear. That is why my bill calls for the Governor of Idaho and the Citizens Advisory Commission to develop an Action Plan that can address the varying conditions within the

Basin. For example, engineering solutions will certainly work in portions of the Basin—but not every place. The steeper gradient streams in the upper Basin respond well to engineering fixes, but these types of fixes may only exacerbate problems in the lower, flatter portions of the Basin. Local input and control through the action plan can address such diversity and the need for varying environmental fixes.

The Department of Justice is currently pursuing a lawsuit for alleged natural resources damages in the area addressed by this legislation. For the federal government to follow such a course is folly. When the federal government litigates under Superfund, the members of the legal profession benefit, as litigation eats away at whatever resources are available for a cleanup. Litigation does not benefit the citizens affected by a cleanup and certainly does not benefit the resources that are purported to be the primary consideration when such a suit is pursued. I do not intend to see cleanup resources in North Idaho squandered in litigation. It is my goal to see that Coeur d'Alene Basin cleanup is not litigated away. That is the reason we have introduced this legislation. it will clean up the Basin, not litigiously waste the Basin's resources.●

By Mr. JEFFORDS (for himself, Mr. KOHL, Mr. GRAMS, Mr. D'AMATO, Ms. COLLINS, Mr. DASCHLE, Mr. LEAHY, Mr. SMITH of New Hampshire, Mr. GRASSLEY and Ms. SNOWE):

S. 775. A bill to amend the Internal Revenue Code of 1986 to exclude gain or loss from the sale of livestock from the computation of capital gain net income for purposes of the earned-income credit; to the Committee on Finance.

THE EARNED-INCOME CREDIT FAIRNESS ACT OF 1997

Mr. JEFFORDS. Mr. President, I am today introducing a bill along with Senator KOHL and several of my colleagues which will amend the earned-income credit to restore fairness to low-income dairy farmers across the country.

Last year during the debate over welfare reform, Congress tightened up on the requirements for eligibility for the EIC. The law was amended to prevent taxpayers with investment assets from claiming the EIC, our rationale being that taxpayers with substantial investment assets should sell those assets rather than rely on the EIC to supplement their income. Specifically, the law now reads that if you have over $2,200 in disqualified income, you cannot claim the EIC.

The earned-income credit (EIC) is a credit against tax available to low-income working taxpayers. The credit is refundable; in other words, even if you don't owe any income tax, the Government may still give you a refund. In this way, the credit is a kind of income assistance to low-income taxpayers, encouraging them to keep working.

Mr. President, the problem lies in that the IRS has interpreted the term disqualified income to include gains realized by dairy farmers when they cull and sell cows no longer suitable for dairy farming. I disagree with the IRS' interpretation, as do many of my colleagues. In my view, culled dairy cows are not investment assets. When farmers cull and sell cows no longer fit for dairy farming, they're not cashing in on their investments. To the contrary, they're cutting their losses. And we should not automatically expect proceeds from these sales to be available to support the farmer's day-to-day living expenses. Farmers may not be able to use this money to put food on his or her family's table or clothing on his family's back. He or she may have to pump these funds back into the dairy operation. If the farmer intends to maintain a viable dairy farm, he or she may use proceeds from the sale of a culled cow to acquire another cow suitable for dairy farming. So, I think it is wrong that these sale proceeds should make the low-income dairy farmer ineligible for the EIC.

The IRS' interpretation will result in the loss of income from thousands of struggling dairy farmers across the country. Dairy farmers have experienced a 25-percent decline in milk prices in recent months and for years have been faced with unstable and low milk prices. Based on the Farm Credit's analysis, the current IRS position would cost Vermont dairy farmers nearly $1 million in refunds and/or increased tax bills. Dairy farmers across the country will be adversely impacted by the current position of the IRS. The greatest impact will be in States that have a high number of small- and mid-sized family dairy operations. Losses to the Nation's dairy farmers have been estimated to be as much as $76 million.

In short, in my view, when the income generated by a farmer's dairy operations is otherwise modest, he or she should not become ineligible for the EIC when he or she has the misfortune to discover that some of his or her dairy cows are nonproductive and disposes of those nonproductive assets at a profit.

Because I disagree with the IRS interpretation, I, together with 16 colleagues, wrote to IRS Commissioner Margaret Richardson on March 13, 1997, to challenge the IRS interpretation of the EIC. Unfortunately, the IRS has maintained that its interpretation is correct. Accordingly, today I am introducing this bill, along with several of my colleagues, to overturn what we believe is an unwise and unwarranted interpretation by the IRS. I urge my colleagues to join us in this effort.

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:

U.S. SENATE,
Washington, DC, March 13, 1997.

Hon. MARGARET MILNER RICHARDSON,
Commissioner, Internal Revenue Service, Washington, DC.

DEAR COMMISSIONER RICHARDSON: We are writing because some of our constituent dairy farmers have brought to our attention their concern about a potentially adverse impact to them that may result from an IRS interpretation of the earned income credit (26 U.S.C. §32). Our constituents have informed us that in conversations with taxpayers, IRS personnel have indicated that a low-income dairy farmer may become ineligible to claim the EIC if he decides to cull from his herd a cow no longer suitable for dairy farming, and subsequently sells the cow, realizing a gain of $2,200 or more.

We believe that this interpretation is incorrect. Section 32 of the Internal Revenue Code allows low-income taxpayers a refundable credit against tax. Under §32(i)(1), this earned income credit (EIC) is not available to taxpayers with more than $2,200 in disqualified income. ''Disqualified income'' is defined to include ''capital gain net income'' for the taxable year.

According to our constituents, the IRS has characterized gains from the sale of culled cows as ''capital gain net income.'' For the definition of ''capital gain net income,'' §32(i)(1)(D) specifically references the definition of that term in §1222. Section 1222(9) defines ''capital gain net income'' as the excess of gains from sales of ''capital assets'' over such losses from such sales.

We do not believe that culled cows are ''capital assets.'' As defined in §1221(2), the term ''capital asset'' does not include ''property used in the trade or business.'' Section 1231(b) defines the term ''property used in the trade or business,'' and subsection (b)(3) specifically defines cattle held by a taxpayer for 24 months or more for dairy purposes as ''property used in the trade or business.'' It would follow, then, that any gains resulting from the sale of such cattle are not gains from sales of capital assets giving rise to ''capital gain net income.'' Accordingly, we do not believe that §32(i)(1)(D) disqualifies a dairy farmer from claiming the EIC because of gains realized from sales of culled cows.

We request that the IRS review and summarize the applicability of §32(i)(1)(D) to low-income dairy farmers who realize gains of $2,200 or more upon the sale of culled cows that they have held for more than two years. We also request that you summarize what tax treatment would result if the culled cows had not been held for two years. We look forward to your response.

Sincerely,

Jim Jeffords, Alfonse D'Amato, Jeff Sessions, Bob Smith, Patrick Leahy, Chris Dodd, Susan M. Collins, Jack Reed, Joe Biden, Mike DeWine, Chuck Grassley, Rick Santorum, Herb Kohl, Rob Grams, Olympia Snowe, Russ Feingold, Judd Gregg.

Mr. KOHL. Mr. President, I rise today as a co-author of this important legislation, which Senator JEFFORDS and I, and many others, introduce today on behalf of all of our nation's farmers.

Let me begin by thanking my colleague from Vermont for his help and leadership on this issue. The economic health of our agricultural economy is paramount to both of our regions, and to the country at large. And tax provisions related to agriculture, whether it be the earned income credit [EIC] or other provisions, have repercussions throughout our agricultural economy.

In the two regions that Senator JEFFORDS and I represent, dairy farming is of particular importance. And it is with our dairy farmers in mind that we feel an urgency in introducing this legislation. Because while the tax policy change that we are seeking to undo affects many livestock producers, it is the dairy farmers who are the hardest hit.

Mr. President, our legislation will clarify that the sale of livestock should not be treated as capital gain net income for purposes of the EIC. As you may know, in last year's welfare bill, we took steps to tighten eligibility to the EIC, a refundable tax credit available only to lower income, working Americans. We did so to ensure further that, in a time of limited Federal resources, the EIC was benefiting those that it was intended to benefit—the working poor—those who have jobs but who often need extra help to avoid turning to public assistance. For many facing tough financial times and struggling to support their families, the EIC has been the difference between hard work and a hand out, between self-worth and self-doubt. And for many dairy farmers in Wisconsin, the EIC has helped pay seed bills and farm operating expenses and put food on kitchen tables.

One of several EIC provisions approved by Congress last year expanded the category of disqualified income to include capital gain net income. As such, under current law, if a taxpayer reports more than $2,200 in capital gain net income, he or she is automatically disqualified from collecting the EIC.

On its face, this tax policy adjustment seems reasonable. Most policymakers would agree that an individual who realizes substantial capital gain income from the sale of capital assets in any given year should not be eligible for a tax credit for the working poor. The House Committee report confirms as much.

That said, however, we are here today because a subsequent IRS interpretation of that adjustment has restricted EIC eligibility in such a way that we believe goes far beyond congressional intent—distorting the purpose of last year's reforms and denying the credit to a population of hard working Americans that the EIC was designed to help—small- and mid-sized family farmers.

Specifically, the Internal Revenue Service [IRS] has interpreted capital gain income to include income generated by the sale of culled cows for purposes of the EIC. Further, the IRS argues that dairy cows represent the type of assets Congress would expect a taxpayer to sell to cover living expenses in lieu of claiming the credit.

Mr. President, though I do not question their good intentions, I believe the IRS is misguided.

As you may know, farmers sell cows no longer suited for dairy farming as a matter of course. It is a standard part of a farmer's business. And in times of low prices or economic stress, it can play an even more important role when some farmers are driven to cull cows more quickly than they otherwise would. In addition, the Tax Code defines dairy cattle held by a taxpayer for a certain period of time as property used in a trade or business, specifying that such property is excluded from the definition of capital assets. Since dairy cattle are not capital assets, it follows that sales of cattle should not give rise to capital gain income for EIC purposes.

For our Nation's dairy farmers, this unfair policy change has come at a particularly cruel time, when milk prices have declined precipitously, and many have been forced to cull cows to make ends meet. Yet instead of stretching the family budget, they learn that their actions have actually resulted in thousands of dollars in extra taxes, leaving them worse off than before.

The consequences for my home State have been devastating. In a sample of cases from a seven-county area in the eastern part of the State, the average loss of Federal and State EIC benefits to farmers has been $2,111 per family. And these are families with between one and seven children. The total loss to the approximately 12,000 Wisconsin dairy farms eligible for the EIC is estimated at $15.5 million.

Denying the EIC to family farmers on the basis of culled cows sales is wrong. It is wrong, unfair, and Congress should act swiftly to correct it.

I urge my colleagues to support this bipartisan legislation of national significance and help ensure the EIC continues to benefit those for whom Congress intended.

Mr. GRAMS. Mr. President, I am proud to be a leading co-sponsor of legislation introduced today with my friend and colleague, Senator JIM JEFFORDS of Vermont. The Earned Income Credit (EIC) Fairness Act of 1997 is a direct response to back-door efforts by the Internal Revenue Service to raise revenue on the backs of family farmers. This legislation simply clarifies the intent of Congress by preserving this important tax credit for our Nation's dairy farmers.

I want to thank Senator JEFFORDS for his leadership on this issue. My colleague from Vermont and I have differed from time to time on what is best for the Nation's dairy industry in the way of federal dairy policy. However, I have always had a profound respect for his hard work and genuine commitment to Vermont's dairy farmers. They have in Senator JEFFORDS a tireless advocate in the U.S. Senate.

I also want to commend Mike Foley, a teacher and dairy farmer from Melrose, MN for bringing this issue to my attention. Like other problems created by IRS misinterpretations of Congressional intent—including the alternative minimum tax [AMT] and the self-employment tax problems—few knew of the EIC problem and the hardship it would ultimately cause. Thanks to Mike, we now have the opportunity to restore the IRS to its proper role of carrying out current laws instead of creating new ones.

Mr. President, unless Congress acts on this legislation, the Nation's dairy farmers will be forced to pay $76 million in taxes they were never intended to pay. In effect, this is an agency-created $76 million tax hike on hard working, generally low-income, dairy producers. For dairy farmers in Minnesota, the tax hike would amount to about $6 million. As a boy who grew up on a dairy farm, I know all too well how hard dairy farmers must work to make ends meet. Long hours. Early mornings. Late nights. The vacations—even for a day—which a lot of us take for granted are unthinkable for most of our dairy producers. This is especially true for the dairy producers who would be hit hardest by the new IRS-imposed tax hike. This is wrong. Wrong because the IRS has no business raising taxes by agency fiat. And, wrong because of the severe hardship the tax hike would impose on our Nation's dairy producers.

During consideration of the 1996 Farm Bill, we promised our farmers long overdue tax relief, regulatory relief, improved risk management and research, and free and fair trade. My request of the administration, particularly the IRS, is simple. If you don't want to help keep this promise to America's farmers, simply step aside and at least don't hinder those of us who do.

I urge my colleagues to give the EIC Fairness Act of 1997 speedy consideration and passage.

By Mr. JOHNSON (for himself, Mr. DASCHLE, Mr. WELLSTONE, Mr. GRAMS, Mr. HARKIN and Mr. GRASSLEY):

S. 777. A bill to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for planning and construction of the water supply system, and for other purposes; to the Committee on Energy and Natural Resources.

THE LEWIS AND CLARK RURAL WATER SYSTEM ACT OF 1997

Mr. JOHNSON. Mr. President, today, I am proud to be introducing legislation, along with my colleagues, the Minority Leader Senator DASCHLE of South Dakota, Senator HARKIN and Senator GRASSLEY of Iowa, and Senator WELLSTONE and Senator GRAMS of Minnesota, to authorize the Lewis and Clark Rural Water System. I introduced similar legislation last year as a Member of the House of Representatives during the 104th Congress. I look forward to again working closely with my colleagues for timely consideration of this important measure.

The Lewis and Clark Rural Water System is made up of 22 rural water systems and communities in southeastern South Dakota, northwestern Iowa,

and southwestern Minnesota who have joined together in an effort to cooperatively address the dual problems facing the delivery of drinking water in this region—inadequate quantities of water and poor quality water.

This region has seen substantial growth and development in recent years, and studies have shown that future water needs will be significantly greater than the current available supply. Most of the people who are served by 10 of the water utilities in the proposed Lewis and Clark project area currently enforce water restrictions on a seasonal basis. Almost half of the membership has water of such poor quality it does not meet present or proposed standards for drinking water. More than two-thirds rely on shallow aquifers as their primary source of drinking water, aquifers which are very vulnerable to contamination by surface activities.

The Lewis and Clark system will be a supplemental supply of drinking water for its 22 members, acting as a treated, bulk delivery system. The distribution to deliver water to individual users will continue through the existing systems used by each member utility. This regionalization approach to solving these water supply and quality problems enables the Missouri River to provide a source of clean, safe drinking water to more than 180,000 individuals. A source of water which none of the members of Lewis and Clark could afford on their own.

The proposed system would help to stabilize the regional rural economy by providing water to Sioux Falls, the hub city in the region, as well as numerous small communities and individual farms in South Dakota and portions of Iowa and Minnesota.

The States of South Dakota, Iowa, and Minnesota have all authorized the project and local sponsors have demonstrated a financial commitment to this project through State grants, local water development district grants, and membership dues. The State of South Dakota has already contributed more than $400,000.

Mr. President, I do not believe our needs get any more basic than good quality, reliable drinking water, and I appreciate the fact that Congress has shown support for efforts to improve drinking water supplies in South Dakota. I look forward to continue working with my colleagues to have that support extended to the Lewis and Clark Rural Water System.

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. 777

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 ''Lewis and Clark Rural Water System Act of 1997''.

SEC. 2. DEFINITIONS.

In this Act:

(1) ENVIRONMENTAL ENHANCEMENT.—The term ''environmental enhancement'' means the wetland and wildlife enhancement activities that are carried out substantially in accordance with the environmental enhancement component of the feasibility study.

(2) ENVIRONMENTAL ENHANCEMENT COMPONENT.—The term ''environmental enhancement component'' means the component described in the report entitled ''Wetlands and Wildlife Enhancement for the Lewis and Clark Rural Water System'', dated April 1991, that is included in the feasibility study.

(3) FEASIBILITY STUDY.—The term ''feasibility study'' means the study entitled ''Feasibility Level Evaluation of a Missouri River Regional Water Supply for South Dakota, Iowa and Minnesota'', dated September 1993, that includes a water conservation plan, environmental report, and environmental enhancement component.

(4) MEMBER ENTITY.—The term ''member entity'' means a rural water system or municipality that signed a Letter of Commitment to participate in the water supply system.

(5) PROJECT CONSTRUCTION BUDGET.—The term ''project construction budget'' means the description of the total amount of funds needed for the construction of the water supply system, as contained in the feasibility study.

(6) PUMPING AND INCIDENTAL OPERATIONAL REQUIREMENTS.—The term ''pumping and incidental operational requirements'' means all power requirements that are incidental to the operation of intake facilities, pumping stations, water treatment facilities, reservoirs, and pipelines up to the point of delivery of water by the water supply system to each member entity that distributes water at retail to individual users.

(7) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

(8) WATER SUPPLY SYSTEM.—The term ''water supply system'' means the Lewis and Clark Rural Water System, Inc., a nonprofit corporation established and operated substantially in accordance with the feasibility study.

SEC. 3. FEDERAL ASSISTANCE FOR THE WATER SUPPLY SYSTEM.

(a) IN GENERAL.—The Secretary shall make grants to the water supply system for the planning and construction of the water supply system.

(b) SERVICE AREA.—The water supply system shall provide for safe and adequate municipal, rural, and industrial water supplies, environmental enhancement, mitigation of wetland areas, and water conservation in—

(1) Lake County, McCook County, Minnehaha County, Turner County, Lincoln County, Clay County, and Union County, in southeastern South Dakota;

(2) Rock County and Nobles County, in southwestern Minnesota; and

(3) Lyon County, Sioux County, Osceola County, O'Brien County, Dickinson County, and Clay County, in northwestern Iowa.

(c) AMOUNT OF GRANTS.—Grants made available under subsection (a) to the water supply system shall not exceed the amount of funds authorized under section 10.

(d) LIMITATION ON AVAILABILITY OF CONSTRUCTION FUNDS.—The Secretary shall not obligate funds for the construction of the water supply system until—

(1) the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) are met;

(2) a final engineering report is prepared and submitted to Congress not less than 90 days before the commencement of construction of the water supply system; and

(3) a water conservation program is developed and implemented.

SEC. 4. FEDERAL ASSISTANCE FOR THE ENVIRONMENTAL ENHANCEMENT COMPONENT.

(a) INITIAL DEVELOPMENT.—The Secretary shall make grants and other funds available to the water supply system and other private, State, and Federal entities, for the initial development of the environmental enhancement component.

(b) NONREIMBURSEMENT.—Funds provided under subsection (a) shall be nonreimbursable and nonreturnable.

SEC. 5. WATER CONSERVATION PROGRAM.

(a) IN GENERAL.—The water supply system shall establish a water conservation program that ensures that users of water from the water supply system use the best practicable technology and management techniques to conserve water use.

(b) REQUIREMENTS.—The water conservation programs shall include—

(1) low consumption performance standards for all newly installed plumbing fixtures;

(2) leak detection and repair programs;

(3) rate schedules that do not include declining block rate schedules for municipal households and special water users (as defined in the feasibility study);

(4) public education programs and technical assistance to member entities; and

(5) coordinated operation among each rural water system, and each water supply facility in existence on the date of enactment of this Act, in the service area of the system.

(c) REVIEW AND REVISION.—The programs described in subsection (b) shall contain provisions for periodic review and revision, in cooperation with the Secretary.

SEC. 6. MITIGATION OF FISH AND WILDLIFE LOSSES.

Mitigation for fish and wildlife losses incurred as a result of the construction and operation of the water supply system shall be on an acre-for-acre basis, based on ecological equivalency, concurrent with project construction, as provided in the feasibility study.

SEC. 7. USE OF PICK–SLOAN POWER.

(a) IN GENERAL.—From power designated for future irrigation and drainage pumping for the Pick-Sloan Missouri Basin program, the Western Area Power Administration shall make available the capacity and energy required to meet the pumping and incidental operational requirements of the water supply system during the period beginning on May 1 and ending on October 31 of each year.

(b) CONDITIONS.—The capacity and energy described in subsection (a) shall be made available on the following conditions:

(1) The water supply system shall be operated on a not-for-profit basis.

(2) The water supply system shall contract to purchase the entire electric service requirements of the system, including the capacity and energy made available under subsection (a), from a qualified preference power supplier that itself purchases power from the Western Area Power Administration.

(3) The rate schedule applicable to the capacity and energy made available under subsection (a) shall be the firm power rate schedule of the Pick-Sloan Eastern Division of the Western Area Power Administration in effect when the power is delivered by the Administration.

(4) It is agreed by contract among—

(A) the Western Area Power Administration;

(B) the power supplier with which the water supply system contracts under paragraph (2);

(C) the power supplier of the entity described in subparagraph (B); and

(D) the water supply system;

that in the case of the capacity and energy made available under subsection (a), the benefit of the rate schedule described in paragraph (3) shall be passed through to the water supply system, except that the power supplier of the water supply system shall not be precluded from including, in the charges of the supplier to the water system for the electric service, the other usual and customary charges of the supplier.

SEC. 8. NO LIMITATION ON WATER PROJECTS IN STATES.

This Act does not limit the authorization for water projects in the States of South Dakota, Iowa, and Minnesota under law in effect on or after the date of enactment of this Act.

SEC. 9. WATER RIGHTS.

Nothing in this Act—

(1) invalidates or preempts State water law or an interstate compact governing water;

(2) alters the rights of any State to any appropriated share of the waters of any body of surface or ground water, whether determined by past or future interstate compacts or by past or future legislative or final judicial allocations;

(3) preempts or modifies any Federal or State law, or interstate compact, governing water quality or disposal; or

(4) confers on any non-Federal entity the ability to exercise any Federal right to the waters of any stream or to any ground water resource.

SEC. 10. COST SHARING.

(a) FEDERAL COST SHARE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall provide funds equal to 80 percent of—

(A) the amount allocated in the total project construction budget for planning and construction of the water supply system under section 3;

(B) such amounts as are necessary to defray increases in the budget for planning and construction of the water supply system under section 3; and

(C) such amounts as are necessary to defray increases in development costs reflected in appropriate engineering cost indices after September 1, 1993.

(2) SIOUX FALLS.—The Secretary shall provide funds for the city of Sioux Falls, South Dakota, in an amount equal to 50 percent of the incremental cost to the city of participation in the project.

(b) NON-FEDERAL COST SHARE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the non-Federal share of the costs allocated to the water supply system shall be 20 percent of the amounts described in subsection (a)(1).

(2) SIOUX FALLS.—The non-Federal cost-share for the city of Sioux Falls, South Dakota, shall be 50 percent of the incremental cost to the city of participation in the project.

SEC. 11. BUREAU OF RECLAMATION.

(a) AUTHORIZATION.—The Secretary may allow the Director of the Bureau of Reclamation to provide project construction oversight to the water supply system and environmental enhancement component for the service area of the water supply system described in section 3(b).

(b) PROJECT OVERSIGHT ADMINISTRATION.—The amount of funds used by the Director of the Bureau of Reclamation for planning and construction of the water supply system shall not exceed the amount that is equal to 1 percent of the amount provided in the total project construction budget for the entire project construction period.

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this Act $226,320,000, of which not less than $8,487,000 shall be used for the initial development of the environmental enhancement component under section 4, to remain available until expended.

Mr. WELLSTONE. Mr. President, today I join my colleagues from South Dakota, Iowa, and Minnesota in cosponsoring Lewis and Clark Rural Water System Act of 1977, and I do so with great enthusiasm for what this project could mean to the people in southwestern Minnesota, as well as those in Iowa and South Dakota who have serious problems finding adequate drinking water supplies.

Many of us never really have to think about where our water comes from, but for the people in Luverne and Worthington, Minnesota, it is a constantly nagging question, Helping provide for this sort of basic need is what I think government ought to be doing.

In a project like Lewis and Clark, governments at all levels have to work together. Municipalities, states, and the federal government each will have important roles to play, and each will have to carry a significant burden. And that is as it should be—in tough situations like this, not only is there no free lunch, but there is also no free water.

So today I am pleased to formally state my support for the Lewis and Clark project by cosponsoring its authorization legislation. The Lewis and Clark Rural Water System project is sorely needed to provide safe drinking water on a consistent basis for citizens in the tri-state region of Minnesota, South Dakota, and Iowa. For far too long communities in this region have faced great and sometimes overwhelming challenges in finding safe and reliable sources of water for their citizens. While many communities in our country have ample supplies of drinking water, twenty-two communities in this tri-state area are not so lucky. Shallow aquifers and high water tables have left many water systems in the region constantly searching for potable water. Even when these communities have managed to find sources of water, many times the water has been contaminated with unsafe levels of nitrates and bacteria, as well as high levels of naturally occurring iron and manganese.

While the lack of water, reliable water sources affects the health of these citizens in the short-term, the economic vitality of these communities is adversely affected in the long-term. Rural communities cannot plan economic growth when they do not possess long-term sources of safe drinking water. Businesses are reluctant to locate in an area where such necessities are not guaranteed. Therefore, as a strong supporter of rural economic development. I believe that this project will benefit the economic welfare of citizens who live in this region.

I recognize that some concerns still exist about the impacts of this project. I intend to work to improve the bill as it makes its way through the legislative process, and believe the concerns which some have raised regarding the environmental impacts of this project will be addressed as the project moves forward. Work on this important bill will likely be going on for some time, and I look forward to helping shape the final legislation and making the project a reality.

Mr. GRAMS. Mr. President, I rise today to join Senators DASCHLE, JOHNSON, GRASSLEY, HARKIN, and WELLSTONE as a proud cosponsor of legislation authorizing the Lewis and Clark Rural Water System. This much-needed legislation will help provide a long-term, high-quality water supply from the Missouri River to over 180,000 individuals in portions of Minnesota, South Dakota, and Iowa.

For too long, and to the detriment of community development, residents of this region have been deprived of a sustainable water resource. In light of Minnesota's reputation as the ''land of 10,000 lakes,'' it might come as a surprise to hear my home state described as being desperately short on water supplies. The southwestern corner of the state, however, is geographically very different from the rest of Minnesota. Rock County, which would be served by the Lewis and Clark system, is the only county in Minnesota without a natural lake.

Communities within the proposed water system are now served by shallow aquifers highly susceptible to drought, leading most of these communities to impose severe watering restrictions. The constant deterioration of these aquifers is evidenced through the detection of ever-increasing nitrate levels that threaten the safety of current drinking water. Moreover, increasing federal regulations have imposed expensive, unfunded mandates on communities seeking to deliver clean and healthy water to their residents.

This situation has forced communities throughout the region to aggressively explore alternative water supplies. Since 1989, the community of Worthington, Minnesota has spent between $50,000 to $75,000 annually searching for another source of water, all without success. The nearby community of Luverne, Minnesota has experienced the same disappointing results despite its significant expenditures. It is little wonder struggling communities across this region have joined together to strongly support the Lewis and Clark proposal.

Bill Weber, the distinguished mayor of Luverne, Minnesota stated: ''It made sense to us to combine our financial assets in building one system that can provide an alternative supply of drinking water for 22 systems. The only other alternative was for each of us to continue as we have in the past, exploring more costly alternatives that only helped one at a time and alternatives, which in the case of Luverne appear to be nonexistent.''

Greg Degroot, President of Worthington Public Utilities, wrote that the system ''will provide our community

with an alternative source of water that will give us some protection in the event of the loss of our existing water source and will also provide the additional water that is necessary for our community to continue to prosper and grow.''

Mr. President, under our legislation, local communities will come together with the affected states and the federal government to form a strong, financial partnership, thereby ensuring an adequate, safe water supply while reducing the costs to the American taxpayers. In fact, with our revised proposal, the city of Sioux Falls, South Dakota—by far the largest user of the proposed system—will pay 50% of the construction costs for its share of Lewis and Clark water.

Mr. President, providing healthy water to our communities is one of the most basic functions of the government. It is not a partisan issue, and therefore I am proud to join with a bipartisan group of my colleagues and the Governors of Minnesota, South Dakota, and Iowa in supporting this bill. We believe our legislation to be the best, most cost-effective answer to a severe and growing problem.

The time to enact this bipartisan legislation is now. As a member of the Energy and Natural Resources Committee, I look forward to working with the distinguished Chairman, Senator MURKOWSKI; Senator JOHNSON, the primary sponsor of this legislation and a Committee member; the rest of our colleagues; and the Clinton Administration in providing much-needed relief to our communities. They deserve nothing less.

Mr. HARKIN. Mr. President, I rise today in strong support of the Lewis and Clark Water System Act of 1997. This legislation will authorize the construction of Lewis and Clark, along with a federal commitment of assistance for construction. Lewis and Clark is designed to be a treated, bulk water delivery system for 22 communities and rural water systems located in northwest Iowa, southeast South Dakota, and southwest Minnesota. Within this tri-state area, over 200,000 persons will be assured of clean and safe drinking water from Lewis and Clark.

Lewis and Clark is necessary to address poor water quality sources, inadequate water supplies, population growth, and increasing federal regulations that the member water systems are trying to deal with. In many cases the drinking water currently delivered by Lewis and Clark's membership exceeds secondary drinking water standards for iron, manganese, sulfate, and total dissolved solids. Water of this quality is very difficult and expensive to treat. In Iowa, most of the involved drinking water systems are at, or near, their capacity, and have serious water quality problems. An engineering feasibility study completed by the Bureau of Reclamation in September 1993 concluded the project is technically feasible.

However, this project will not be economically viable without federal assistance. Because many rural areas and small communities are involved with the project, the necessary financial resources do not exist to bring Lewis and Clark to completion. Through the Bureau of Reclamation study, each utility member determined that Lewis and Clark was the most feasible and least costly alternative for meeting future drinking water needs. It is estimated that this project will provide quality water at a reasonable cost, an estimated 75 cents per 1,000 gallons.

Mr. President, this project represents a unique opportunity to bring safe, clean, and affordable drinking water to hundreds of thousands of persons in a tri-state area. It is not often Congress has the opportunity to assist in a project that has the joint cooperation of persons from three states, and twenty-two communities and local water systems. In an era when we see states and communities fighting for water resources, Lewis and Clark represents a grass-roots effort of concerned citizens, businesses, and government officials.

Lastly, I would like to add that this is a project that clearly fits the characteristics of projects traditionally funded by the Bureau of Reclamation. Given its broad support, critical needs, and clear merits, I urge the passage of this important legislation.

By Mr. LUGAR:

S. 778. A bill to authorize a new trade and investment policy for sub-Saharan African; to the Committee on Finance.

THE AFRICAN GROWTH AND OPPORTUNITY ACT

• Mr. LUGAR. Mr. President, I introduce the African Growth and Opportunity Act. A similar bill has been introduced in the House of Representatives and is now cosponsored by nearly 50 Members. It enjoys the support of many in the House leadership. I applaud the hard work of those Members of the House who have toiled to draft proactive legislation that would, if enacted, help re-shape our relationship with countries in sub-Sahara Africa.

The bill I am introducing contains a range of trade, investment and reform incentives for economic growth that require little or no new spending. It reflects much of the administration's ''Partnership for Economic Growth and Opportunity in Africa'' initiative which proposes greater U.S. attention and priority to Africa. This bill proposes important trade and investment initiatives that would be available to eligible African countries which pursue meaningful internal reforms—both economic and political reform.

The bill would seek to provide a range of trade preferences and concessions, including GSP and lower trade barriers, to eligible countries embarking on economic and political liberalization. It seeks to encourage increased private sector investment flows by engaging OPIC and other government guarantees to create private equity and infrastructure funds targeted on Africa. It proposes certain personnel changes in various government agencies to give greater attention to Africa and to facilitate U.S. trade and investment. It seeks the cooperation of international financial institutions to ease the heavy debt burden of the poorest countries in Africa. And, it seeks the cooperation of other developed countries to join us in granting trade concessions and other preferences to Africa.

To achieve sustained economic growth and political stability in Africa, the private sector must be more fully engaged. They have the investment capital, they have the knowhow, and they have the will to take calculated risks abroad. The private sector, however, will be more interested in investment, trade and the technical assistance that accompany them, if countries make the hard decisions to liberalize their economies and open their political system to participation and good governance. That process is underway in Africa, but much more needs to be done.

This bill intends to increase our commercial and official contacts and interactions in recognition of the enormous potential for economic growth and development in Africa. It reflects the vast diversity of people, cultures, economies, and potential among the forty-eight countries and the more than 600 million people. It provides incentives and rewards to the growing number of countries embarking on a host of economic and political reforms. These are reforms we should encourage and support. These changes are not only in the interests of African societies, they are in our interest as well. A stable and economically prosperous Africa will contribute to our commercial and security interests.

The ''African Growth and Opportunity Act'', therefore, includes a range of incentives and policy tools that would begin the long-overdue process of linking U.S. ties with Africa on trade and investment, not solely on foreign assistance. We should be basing our relations with Africans as partners, not just as aid recipients. For too long, American policy towards Africa has concentrated on our foreign assistance programs which have resulted in little more than a series of bi-lateral donor-recipient relationships.

While helpful in promoting economic and political development, and in alleviating humanitarian crises and other social ills, our assistance programs were never large enough to be effective in stimulating or sustaining real economic growth. They are still important and needed. But, bilateral assistance, even when coupled with assistance from other donor countries and from international banks and lending institutions, are insufficient by themselves to kick-start and sustain the economies of Africa. They have not been sufficient in eradicating contagious diseases, in eliminating chronic poverty, or in ending the cycle of under-development and recurring political turmoil.

Mr. President, we have neglected Africa's economic growth potential for too many years. For too long, American interest in sub-Sahara Africa was largely a function of our strategic considerations and trade-offs during the Cold War period. Most Americans paid attention to Africa only when there was a natural or man-made calamity or disaster. Regrettably, this has led to distortion and mis-information about the real Africa. It has retarded interest in exploring opportunities in this rich and diverse continent.

But, economic growth, political stability or the protection of human rights in Africa won't happen by themselves or by the actions of the U.S. The leadership in Africa must make it happen by their actions and decisions. We should encourage and respond to those countries and those leaders who are making the difficult decisions to implement economic and political reform.

There is little doubt that those African countries which have embarked on the road to economic and political reform are beginning to reap the kind of benefits known in other regions of the world, such as East Asia. Several countries already enjoy multi-year economic growth in the five, six to ten percent range. Uganda, for example, had a growth rate of 10% in 1995 and Ethiopia exceeded that level last year. More than 30 countries in sub-Sahara Africa have already initiated economic reform programs and some twenty-five countries have conducted open elections.

Many countries have begun to liberalize their exchange rates and prices, privatize state-owned enterprises, reduce expensive state subsidies and cut back on impediments to trade and investment. These steps and others will help African economies grow.

African trade barriers are more onerous than those in the faster growing economies in the developing world. Import tariffs are three and a half times higher than those in faster growing countries in the developing world. Along with non-tariff restrictions and assorted protectionist practices, these practices have hurt the competitiveness of Africa exports. They inflict trade losses that match or exceed the total levels of aid to Africa. As these barriers to trade and investment are eased and eliminated, they will open the way for economic growth and assist American entrepreneurs by opening their markets to our goods and services.

It may interest members to know that U.S. trade with sub-Saharan Africa grew by more than 18% last year. For the second consecutive year, the growth in U.S. trade in sub-Sahara Africa outdistanced America's overall growth in world trade. No one who has sought to invest or trade in Africa will deny that doing so has been difficult, but few would deny that the many opportunities exist.

U.S. trade with Africa amounts to only about one percent of total U.S. trade and U.S. investment there totals less than one percent of all U.S. direct investment overseas. This, despite the fact that roughly forty per cent of all America exports now go to developing countries where the greatest growth in U.S. trade and exports in recent years has taken place.

Finally, Mr. President, let me conclude by saying that I am introducing this bill to stimulate interest and to encourage serious debate in the Senate on re-orienting U.S. policy towards Africa. Without question, we have a genuine interest in Africa that is only now being recognized. Enactment of this bill will help create an environment in which the private sector will become more fully engaged in the economic development and growth and political modernization of Africa. If that happens, it will be very much in the interest of the United States.

I urge my colleagues in the Senate to take note of this bill, consider its merits, explore the growing potential for U.S. exports and investment and consider the prospects for revising and broadening our overall relationship with sub-Sahara Africa.

If we do so, our country will be a major economic and security beneficiary.

Mr. President, I ask unanimous consent that the Africa Growth and Opportunity Act be printed in full in the RECORD.

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

S. 778

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 ''African Growth and Opportunity Act''.

SEC. 2. FINDINGS.

The Congress finds that it is in the mutual economic interest of the United States and sub-Saharan Africa to promote stable and sustainable economic growth and development in sub-Saharan Africa. To that end, the United States seeks to facilitate the social and economic development of the countries of sub-Saharan Africa in a manner which strengthens and expands market-led economic growth consistent with equitable and efficient development and which reduces poverty and increases employment among the poor. In particular, the United States seeks to assist sub-Saharan African countries to achieve economic self-reliance by—

(1) strengthening and expanding the private sector in sub-Saharan Africa, especially women-owned businesses;

(2) encouraging increased trade and investment between the United States and sub-Saharan Africa;

(3) reducing tariff and nontariff barriers and other trade obstacles;

(4) expanding United States assistance to sub-Saharan Africa's regional integration efforts;

(5) negotiating free trade areas;

(6) establishing a United States-Sub-Saharan Africa Trade and Investment Partnership;

(7) focusing on countries committed to accountable government, economic reform, and the eradication of poverty;

(8) establishing a United States-Sub-Saharan Africa Economic Cooperation Forum; and

(9) continuing to support development assistance for those countries in sub-Saharan Africa attempting to build civil societies.

SEC. 3. STATEMENT OF POLICY.

The Congress supports economic self-reliance for sub-Saharan African countries, particularly those committed to—

(1) economic and political reform;

(2) market incentives and private sector growth;

(3) the eradication of poverty; and

(4) the importance of women to economic growth and development.

SEC. 4. ELIGIBILITY REQUIREMENTS.

(a) IN GENERAL.—A sub-Saharan African country shall be eligible to participate in programs, projects, or activities, or receive assistance or other benefits under this Act for a fiscal year only if the President determines that the country has established, or is making continual progress toward establishing, a market-based economy, such as the establishment and enforcement of appropriate policies relating to—

(1) promoting free movement of goods and services and factors of production between the United States and sub-Saharan Africa;

(2) promoting the expansion of the production base and the transformation of commodities and nontraditional products for exports through joint venture projects between African and United States companies;

(3) trade issues, such as protection of intellectual property rights, improvements in standards, testing, labeling and certification, and government procurement;

(4) the protection of property rights, such as protection against expropriation and a functioning and fair judicial system;

(5) tax issues, such as reducing high import and corporate taxes, controlling government consumption, participation in bilateral investment treaties, and the harmonization of such treaties to avoid double taxation;

(6) foreign investment issues, such as the provision of national treatment for foreign investors and other measures to attract foreign investors;

(7) supporting the growth of regional markets within a free trade area framework;

(8) regulatory issues, such as eliminating government corruption, minimizing government intervention in the market, monitoring the fiscal and monetary policies of the government, and supporting the growth of the private sector, in particular by promoting the emergence of a new generation of African entrepreneurs;

(9) encouraging the private ownership of government-controlled economic enterprises through divestiture programs;

(10) removing restrictions on investment; and

(11) the reduction of poverty, such as the provision of basic health and education for poor citizens, the expansion of physical infrastructure in a manner designed to maximize accessibility, increased access to market and credit facilities for small farmers and producers, and improved economic opportunities for women as entrepreneurs and employees.

(b) ADDITIONAL FACTORS.—In determining whether a sub-Saharan African country is eligible under subsection (a), the President shall take into account the following factors:

(1) An expression by such country of its desire to be an eligible country under subsection (a).

(2) The extent to which such country has made substantial progress toward—

(A) reducing tariff levels;

(B) binding its tariffs in the World Trade Organization and assuming meaningful binding obligations in other sectors of trade; and

(C) eliminating nontariff barriers to trade.

(3) Whether such country, if not already a member of the World Trade Organization, is actively pursuing membership in that Organization.

(4) The extent to which such country is in material compliance with its programs with and its obligation to the International Monetary Fund and other international financial institutions.

(c) CONTINUING COMPLIANCE.—

(1) MONITORING AND REVIEW OF CERTAIN COUNTRIES.—The President shall monitor and review the progress of those sub-Saharan African countries that have been determined to be eligible under subsection (a) but are in need of making continual progress in meeting one or more of the requirements of such subsection.

(2) INELIGIBILITY OF CERTAIN COUNTRIES.—A sub-Saharan African country described in paragraph (1) that has not made continual progress in meeting the requirements with which it is not in compliance shall be ineligible to participate in programs, projects, or activities, or receive assistance or other benefits, under this Act.

SEC. 5. ADDITIONAL AUTHORITIES AND INCREASED FLEXIBILITY TO PROVIDE ASSISTANCE UNDER THE DEVELOPMENT FUND FOR AFRICA.

(a) USE OF SUSTAINABLE DEVELOPMENT ASSISTANCE TO SUPPORT FURTHER ECONOMIC GROWTH.—It is the sense of the Congress that sustained economic growth in sub-Saharan Africa depends in large measure upon the development of a receptive environment for trade and investment, and that to achieve this objective the United States Agency for International Development should continue to support programs which help to create this environment. Investments in human resources, development, and implementation of free market policies, including policies to liberalize agricultural markets and improve food security, and the support for the rule of law and democratic governance should continue to be encouraged and enhanced on a bilateral and regional basis.

(b) DECLARATIONS OF POLICY.—The Congress makes the following declarations:

(1) The Development Fund for Africa established under chapter 10 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2293 et seq.) has been an effective tool in providing development assistance to sub-Saharan Africa since 1988.

(2) The Development Fund for Africa will complement the other provisions of this Act and lay a foundation for increased trade and investment opportunities between the United States and sub-Saharan Africa.

(3) Assistance provided through the Development Fund for Africa will continue to support programs and activities that promote the long term economic development of sub-Saharan Africa, such as programs and activities relating to the following:

(A) Strengthening primary and vocational education systems, especially the acquisition of middle-level technical skills for operating modern private businesses and the introduction of college level business education, including the study of international business, finance, and stock exchanges.

(B) Strengthening health care systems.

(C) Strengthening family planning service delivery systems.

(D) Supporting democratization, good governance and civil society and conflict resolution efforts.

(E) Increasing food security by promoting the expansion of agricultural and agriculture-based industrial production and productivity and increasing real incomes for poor individuals.

(F) Promoting an enabling environment for private sector-led growth through sustained economic reform, privatization programs, and market-led economic activities.

(G) Promoting decentralization and local participation in the development process, especially linking the rural production sectors and the industrial and market centers throughout Africa.

(H) Increasing the technical and managerial capacity of sub-Saharan African individuals to manage the economy of sub-Saharan Africa.

(I) Ensuring sustainable economic growth through environmental protection.

(4) The African Development Foundation has a unique congressional mandate to empower the poor to participate fully in development and to increase opportunities for gainful employment, poverty alleviation, and more equitable income distribution in sub-Saharan Africa. The African Development Foundation has worked successfully to enhance the role of women as agents of change, strengthen the informal sector with an emphasis on supporting micro and small sized enterprises, indigenous technologies, and mobilizing local financing. The African Development Foundation should develop and implement strategies for promoting participation in the socioeconomic development process of grassroots and informal sector groups such as nongovernmental organizations, cooperatives, artisans, and traders into the programs and initiatives established under this Act.

(c) ADDITIONAL AUTHORITIES.—

(1) IN GENERAL.—Section 496(h) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(h)) is amended—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following:

''(3) DEMOCRATIZATION AND CONFLICT RESOLUTION CAPABILITIES.—Assistance under this section may also include program assistance—

''(A) to promote democratization, good governance, and strong civil societies in sub-Saharan Africa; and

''(B) to strengthen conflict resolution capabilities of governmental, intergovernmental, and nongovernmental entities in sub-Saharan
Africa.''.

(2) CONFORMING AMENDMENT.—Section 496(h)(4) of such Act, as amended by paragraph (1), is further amended by striking ''paragraphs (1) and (2)'' in the first sentence and inserting ''paragraphs (1), (2), and (3)''.

(d) WAIVER AUTHORITY.—Section 496 of the Foreign Assistance Act of 1961 (22 U.S.C. 2293) is amended by adding at the end the following:

''(p) WAIVER AUTHORITY.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the President may waive any provision of law that earmarks, for a specified country, organization, or purpose, funds made available to carry out this chapter if the President determines that the waiver of such provision of law would provide increased flexibility in carrying out this chapter.

''(2) EXCEPTIONS.—

''(A) CHILD SURVIVAL ACTIVITIES.—The authority contained in paragraph (1) may not be used to waive a provision of law that earmarks funds made available to carry out this chapter for the following purposes:

''(i) Immunization programs.

''(ii) Oral rehydration programs.

''(iii) Health and nutrition programs, and related education programs, which address the needs of mothers and children.

''(iv) Water and sanitation programs.

''(v) Assistance for displaced and orphaned children.

''(vi) Programs for the prevention, treatment, and control of, and research on, tuberculosis, HIV/AIDS, polio, malaria, and other diseases.

''(vii) Basic education programs for children.

''(viii) Contribution on a grant basis to the United Nations Children's Fund (UNICEF) pursuant to section 301 of this Act.

''(B) REQUIREMENT TO SUPERSEDE WAIVER AUTHORITY.—The provisions of this subsection shall not be superseded except by a provision of law enacted after the date of the enactment of the African Growth and Opportunity Act which specifically repeals, modifies, or supersedes such provisions.''.

SEC. 6. UNITED STATES–SUB-SAHARAN AFRICA TRADE AND ECONOMIC COOPERATION FORUM.

(a) DECLARATION OF POLICY.—The President shall convene annual high-level meetings between appropriate officials of the United States Government and officials of the governments of sub-Saharan African countries in order to foster close economic ties between the United States and sub-Saharan Africa.

(b) ESTABLISHMENT.—Not later than 12 months after the date of the enactment of this Act, the President, after consulting with the governments concerned, shall establish a United States–Sub-Saharan Africa Trade and Economic Cooperation Forum (hereafter in this section referred to as the ''Forum'').

(c) REQUIREMENTS.—In creating the Forum, the President shall meet the following requirements:

(1) The President shall direct the Secretary of Commerce, the Secretary of the Treasury, the Secretary of State, and the United States Trade Representative to host the first annual meeting with the counterparts of such Secretaries from the governments of sub-Saharan African countries eligible under section 4, the Secretary General of the Organization of African Unity, and government officials from other appropriate countries in Africa, to discuss expanding trade and investment relations between the United States and sub-Saharan Africa and the implementation of this Act.

(2)(A) The President, in consultation with the Congress, shall encourage United States nongovernmental organizations to host annual meetings with nongovernmental organizations from sub-Saharan Africa in conjunction with the annual meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(B) The President, in consultation with the Congress, shall encourage United States representatives of the private sector to host annual meetings with representatives of the private sector from sub-Saharan Africa in conjunction with the annual meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(3) The President shall, to the extent practicable, meet with the heads of governments of sub-Saharan African countries eligible under section 4 not less than once every two years for the purpose of discussing the issues described in paragraph (1). The first such meeting should take place not later than twelve months after the date of the enactment of this Act.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 7. UNITED STATES–SUB-SAHARAN AFRICA FREE TRADE AREA.

(a) DECLARATION OF POLICY.—The Congress declares that a United States–Sub-Saharan Africa Free Trade Area should be established, or free trade agreements should be entered into, in order to serve as the catalyst for increasing trade between the United

States and sub-Saharan Africa and increasing private sector development in sub-Saharan Africa.

(b) PLAN REQUIREMENT.—

(1) IN GENERAL.—The President, taking into account the provisions of the treaty establishing the African Economic Community and the willingness of the governments of Sub-Saharan African countries to engage in negotiations to enter into free trade agreements, shall develop a plan for the purpose of entering into one or more trade agreements with sub-Saharan African countries eligible under section 4 in order to establish a United States–Sub-Saharan Africa Free Trade Area (hereafter in this section referred to as the ''Free Trade Area'').

(2) ELEMENTS OF PLAN.—The plan shall include the following:

(A) The specific objectives of the United States with respect to the establishment of the Free Trade Area and a suggested timetable for achieving those objectives.

(B) The benefits to both the United States and sub-Saharan Africa with respect to the Free Trade Area.

(C) A mutually agreed-upon timetable for establishing the Free Trade Area.

(D) The implications for and the role of regional and sub-regional organizations in sub-Saharan Africa with respect to the Free Trade Area.

(E) Subject matter anticipated to be covered by the agreement for establishing the Free Trade Area and United States laws, programs, and policies, as well as the laws of participating eligible African countries and existing bilateral and multilateral and economic cooperation and trade agreements, that may be affected by the agreement or agreements.

(F) Procedures to ensure the following:

(i) Adequate consultation with the Congress and the private sector during the negotiation of the agreement or agreements for establishing the Free Trade Area.

(ii) Consultation with the Congress regarding all matters relating to implementation of the agreement or agreements.

(iii) Approval by the Congress of the agreement or agreements.

(iv) Adequate consultations with the relevant African governments and African regional and subregional intergovernmental organizations during the negotiations of the agreement or agreements.

(c) REPORTING REQUIREMENT.—Not later than 12 months after the date of the enactment of this Act, the President shall prepare and transmit to the Congress a report containing the plan developed pursuant to subsection (b).

SEC. 8. ELIMINATING TRADE BARRIERS AND ENCOURAGING EXPORTS.

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

(1) The lack of competitiveness of sub-Saharan Africa in the global market, especially in the manufacturing sector, make it a limited threat to market disruption and no threat to United States jobs.

(2) Annual textile and apparel exports to the United States from sub-Saharan Africa represent less than 1 percent of all textile and apparel exports to the United States, which totaled $45,932,000,000 in 1996.

(3) Sub-Saharan Africa has limited textile manufacturing capacity. During 1998 and the succeeding 4 years, this limited capacity to manufacture textiles and apparel is projected to grow at a modest rate. Given this limited capacity to export textiles and apparel, it will be very difficult for these exports from sub-Saharan Africa, during 1998 and the succeeding 9 years, to exceed 3 percent annually of total imports of textile and apparel to the United States. If these exports from sub-Saharan Africa remain around 3 percent of total imports, they will not represent a threat to United States workers, consumers, or manufacturers.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) it would be to the mutual benefit of the countries in sub-Saharan Africa and the United States to ensure that the commitments of the World Trade Organization and associated agreements are faithfully implemented in each of the member countries, so as to lay the groundwork for sustained growth in textile and apparel exports and trade under agreed rules and disciplines;

(2) reform of trade policies in sub-Saharan Africa with the objective of removing structural impediments to trade, consistent with obligations under the World Trade Organization, can assist the countries of the region in achieving greater and greater diversification of textile and apparel export commodities and products and export markets; and

(3) the President should support textile and apparel trade reform in sub-Saharan Africa by, among other measures, providing technical assistance, sharing of information to expand basic knowledge of how to trade with the United States, and encouraging business-to-business contacts with the region.

(c) TREATMENT OF QUOTAS.—

(1) KENYA AND MAURITIUS.—Pursuant to the Agreement on Textiles and Clothing, the United States shall eliminate the existing quotas on textile and apparel exports to the United States—

(A) from Kenya within 30 days after that country adopts a cost-effective and efficient visa system to guard against unlawful transshipment of textile and apparel goods; and

(B) from Mauritius within 30 days after that country adopts such a visa system.

The Customs Service shall provide the necessary assistance to Kenya and Mauritius in the development and implementation of those visa systems. The Customs Service shall monitor and the Commissioner of Customs shall submit to the Congress, not later than March 31 of each year, a report on the effectiveness of those visa systems during the preceding calendar year.

(2) OTHER SUB-SAHARAN COUNTRIES.—The President shall continue the existing no quota policy for countries in sub-Saharan Africa. The President shall submit to the Congress, not later than March 31 of each year, a report on the growth in textiles and apparel exports to the United States from countries in sub-Saharan Africa in order to protect United States consumers, workers, and textile manufacturers from economic injury on account of the no quota policy. The President should ensure that any country in sub-Saharan Africa that intends to export substantial textile and apparel goods to the United States has in place a functioning and efficient visa system to guard against unlawful transshipment of textile and apparel goods.

(d) DEFINITION.—For purposes of this section, the term ''Agreement on Textiles and Clothing'' means the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)).

SEC. 9. GENERALIZED SYSTEM OF PREFERENCES.

(a) PREFERENTIAL TARIFF TREATMENT FOR CERTAIN ARTICLES.—Section 503(a)(1) of the Trade Act of 1974 (19 U.S.C. 2463(a)) is amended—

(1) by redesignating subparagraph (C) as subparagraph (D); and

(2) by inserting after subparagraph (B) the following:

''(C) ELIGIBLE COUNTRIES IN SUB-SAHARAN AFRICA.—The President may provide duty-free treatment for any article set forth in paragraph (1) of subsection (b) that is the growth, product, or manufacture of an eligible country in sub-Saharan Africa that is a beneficiary developing country, if, after receiving the advice of the International Trade Commission in accordance with subsection (e), the President determines that such article is not import-sensitive in the context of imports from eligible countries in sub-Saharan Africa. This subparagraph shall not affect the designation of eligible articles under subparagraph (B).''.

(b) RULES OF ORIGIN.—Section 503(a)(2) of the Trade Act of 1974 (19 U.S.C. 2463(a)(2)) is amended by adding at the end the following:

''(C) ELIGIBLE COUNTRIES IN SUB-SAHARAN AFRICA.—For purposes of determining the percentage referred to in subparagraph (A) in the case of an article of an eligible country in sub-Saharan Africa that is a beneficiary developing country—

''(i) if the cost or value of materials produced in the customs territory of the United States is included with respect to that article, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (A); and

''(ii) the cost or value of the materials included with respect to that article that are produced in any beneficiary developing country that is an eligible country in sub-Saharan Africa shall be applied in determining such percentage.''.

(c) WAIVER OF COMPETITIVE NEED LIMITATION.—Section 503(c)(2)(D) of the Trade Act of 1974 (19 U.S.C. 2463(c)(2)(D)) is amended to read as follows:

''(D) LEAST-DEVELOPED BENEFICIARY DEVELOPING COUNTRIES AND ELIGIBLE COUNTRIES IN SUB-SAHARAN AFRICA.—Subparagraph (A) shall not apply to any least-developed beneficiary developing country or any eligible country in sub-Saharan Africa.''.

(c) EXTENSION OF PROGRAM.—Section 505 of the Trade Act of 1974 (19 U.S.C. 2465) is amended to read as follows:

''SEC. 505. DATE OF TERMINATION.

''(a) COUNTRIES IN SUB-SAHARAN AFRICA.—No duty-free treatment provided under this title shall remain in effect after May 31, 2007, with respect to beneficiary developing countries that are eligible countries in sub-Saharan Africa.

''(b) OTHER COUNTRIES.—No duty-free treatment provided under this title shall remain in effect after May 31, 1997, with respect to beneficiary developing countries other than those provided for in subsection (a).''.

(d) DEFINITION.—Section 507 of the Trade Act of 1974 (19 U.S.C. 2467) is amended by adding at the end the following:

''(6) ELIGIBLE COUNTRY IN SUB-SAHARAN AFRICA.—The terms 'eligible country in sub-Saharan Africa' and 'eligible countries in sub-Saharan Africa' means a country or countries that the President has determined to be eligible under section 4 of the African Growth and Opportunity Act.''.

SEC. 10. INTERNATIONAL FINANCIAL INSTITUTIONS AND DEBT REDUCTION.

(a) INTERNATIONAL FINANCIAL INSTITUTIONS.—(1) It is the sense of the Congress that international financial institutions and improved application of programs such as those of the International Development Association, the African Development Bank, the African Development Fund, and the Enhanced Structural Adjustment Facility of the International Monetary Fund are vital to achieving the purposes of this Act.

(2) The Congress supports the efforts of the executive branch to encourage international financial institutions to develop enhanced mechanisms for providing financing for

countries eligible under section 4, consistent with the purposes of this Act.

(b) DEBT REDUCTION.—(1) It is the sense of the Congress that the executive branch should extinguish concessional debt owed to the United States by the poorest countries in sub-Saharan Africa that are heavily indebted and pursuing bold growth-oriented policies, and that the executive branch should seek comparable action by other creditors of such countries.

(2) The Congress supports the efforts of the executive branch to secure agreement from international financial institutions on maximum debt reduction for sub-Saharan Africa as part of the multilateral initiative referred to as the Heavily Indebted Poor Countries (HIPC) initiative.

(c) EXECUTIVE BRANCH INITIATIVES.—The Congress supports and encourages the implementation of the following initiatives of the executive branch:

(1) AMERICAN-AFRICAN BUSINESS PARTNERSHIP.—The Agency for International Development devoting up to $1,000,000 annually to help catalyze relationships between United States firms and firms in sub-Saharan Africa through a variety of business associations and networks.

(2) TECHNICAL ASSISTANCE TO PROMOTE REFORMS.—The Agency for International Development providing up to $5,000,000 annually in short-term technical assistance programs to help the governments of sub-Saharan African countries to—

(A) liberalize trade and promote exports;

(B) bring their legal regimes into compliance with the standards of the World Trade Organization in conjunction with membership in that Organization; and

(C) make financial and fiscal reforms, as well as the United States Department of Agriculture providing support to promote greater agribusiness linkages.

(3) AGRICULTURAL MARKET LIBERALIZATION.—The Agency for International Development devoting up to $15,000,000 annually as part of the multi-year Africa Food Security Initiative to help address such critical agricultural policy issues as market liberalization, agricultural export development, and agribusiness investment in processing and transporting agricultural commodities.

(4) TRADE PROMOTION.—The Trade Development Agency increasing the number of reverse trade missions to growth-oriented countries in sub-Saharan Africa.

(5) TRADE IN SERVICES.—Efforts by United States embassies in the countries in sub-Saharan Africa to encourage their host governments—

(A) to participate in the ongoing negotiations on financial services in the World Trade Organization;

(B) to revise their existing schedules to the General Agreement on Trade in Services of the World Trade Organization in light of the successful conclusion of negotiations on basic telecommunications services; and

(C) to make further commitments in their schedules to the General Agreement on Trade in Services in order to encourage the removal of tariff and nontariff barriers and to foster competition in the services sector in those countries.

SEC. 11. SUB-SAHARAN AFRICA EQUITY AND INFRASTRUCTURE FUNDS.

(a) INITIATION OF FUNDS.—It is the sense of the Congress that the Overseas Private Investment Corporation should, within 12 months after the date of the enactment of this Act, exercise the authorities it has to initiate 2 or more equity funds in support of projects in the countries in sub-Saharan Africa.

(b) STRUCTURE AND TYPES OF FUNDS.—

(1) STRUCTURE.—Each fund initiated under subsection (a) should be structured as a partnership managed by professional private sector fund managers and monitored on a continuing basis by the Corporation.

(2) CAPITALIZATION.—Each fund should be capitalized with a combination of private equity capital, which is not guaranteed by the Corporation, and debt for which the Corporation provides guaranties.

(3) TYPES OF FUNDS.—

(A) EQUITY FUND FOR SUB-SAHARAN AFRICA.—One of the funds should be an equity fund, with assets of up to $150,000,000, the primary purpose of which is to achieve long-term capital appreciation through equity investments in support of projects in countries in sub-Saharan Africa.

(B) INFRASTRUCTURE FUND.—One or more of the funds, with combined assets of up to $500,000,000, should be used in support of infrastructure projects in countries of sub-Saharan Africa. The primary purpose of any such fund would be to achieve long-term capital appreciation through investing in financing for infrastructure projects in sub-Saharan Africa, including for the expansion of businesses in sub-Saharan Africa, restructurings, management buyouts and buyins, businesses with local ownership, and privatizations.

(4) EMPHASIS.—The Corporation shall ensure that the funds are used to provide support in particular to women entrepreneurs and to innovative investments that expand opportunities for women and maximize employment opportunities for poor individuals.

SEC. 12. OVERSEAS PRIVATE INVESTMENT CORPORATION AND EXPORT-IMPORT BANK INITIATIVES.

(a) OVERSEAS PRIVATE INVESTMENT CORPORATION.—

(1) BOARD OF DIRECTORS TO INCLUDE MEMBER WITH PRIVATE SECTOR EXPERIENCE IN SUB-SAHARAN AFRICA.—Section 233(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2193(b)) is amended in the first paragraph by inserting after the fifth sentence the following: ''At least one of the eight Directors appointed under the fourth sentence shall have extensive private sector experience in sub-Saharan Africa.''.

(2) ADVISORY BOARD.—

(A) IN GENERAL.—Section 233 of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

''(e) ADVISORY BOARD.—The Board shall take prompt measures to increase the loan, guarantee, and insurance programs, and financial commitments, of the Corporation in sub-Saharan Africa, including through the establishment and use of an advisory committee to assist the Board in developing and implementing policies, programs, and financial instruments designed to support the expansion of, and increase in, the provision of loans, guarantees, and insurance with respect to sub-Saharan Africa. In addition, the advisory board shall make recommendations to the Board on how the Corporation can facilitate greater support by the United States for trade and investment with and in sub-Saharan Africa.''.

(B) REPORTS TO THE CONGRESS.—Within 6 months after the date of the enactment of this Act, and annually for each of the 4 years thereafter, the Board of Directors of the Overseas Private Investment Corporation shall submit to the Congress a report on the steps that the Board has taken to implement section 233(e) of the Foreign Assistance Act of 1961 and any recommendations of the advisory board established pursuant to such section.

(b) EXPORT-IMPORT BANK.—

(1) BOARD OF DIRECTORS TO INCLUDE MEMBER WITH PRIVATE SECTOR EXPERIENCE IN SUB-SAHARAN AFRICA.—Section 3(c)(8)(B) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(c)(8)(B)) is amended by inserting '', and one such member shall be selected from among persons who have extensive private sector experience in sub-Saharan Africa'' before the period.

(2) ADVISORY BOARD.—

(A) IN GENERAL.—Section 3 of such Act (12 U.S.C. 635a) is amended by adding at the end the following:

''(f) The Board of Directors shall take prompt measures to increase the loan, guarantee, and insurance programs, and financial commitments, of the Bank in sub-Saharan Africa, including through the establishment and use of an advisory committee to assist the Board of Directors in developing and implementing policies, programs, and financial instruments designed to support the expansion of, and increase in, the provision of loans, guarantees, and insurance with respect to sub-Saharan Africa. In addition, the advisory board shall make recommendations to the Board of Directors on how the Bank can facilitate greater support by United States commercial banks for trade and investment with and in sub-Saharan Africa.''.

(B) REPORTS TO THE CONGRESS.—Within 6 months after the date of the enactment of this Act, and annually for each of the 4 years thereafter, the Board of Directors of the Export-Import Bank shall submit to the Congress a report on the steps that the Board has taken to implement section 3(f) of the Export-Import Bank Act of 1945 and any recommendations of the advisory board established pursuant to such section.

SEC. 13. ESTABLISHMENT OF ASSISTANT UNITED STATES TRADE REPRESENTATIVE FOR SUB-SAHARAN AFRICA.

(a) ESTABLISHMENT.—The President shall establish a position of Assistant United States Trade Representative within the Office of the United States Trade Representative to focus on trade issues relating to sub-Saharan Africa.

(b) FUNDING AND STAFF.—The President shall ensure that the Assistant United States Trade Representative appointed pursuant to paragraph (1) has adequate funding and staff to carry out the duties described in paragraph (1).

SEC. 14. REPORTING REQUIREMENT.

The President shall submit to the Congress, not later than 1 year after the date of the enactment of this Act, and not later than the end of each of the next 4 1-year periods thereafter, a report on the implementation of this Act.

SEC. 15. SUB-SAHARAN AFRICA DEFINED.

For purposes of this Act, the terms ''sub-Saharan Africa'', ''sub-Saharan African country'', ''country in sub-Saharan Africa'', and ''countries in sub-Saharan Africa'' refer to the following:

Republic of Angola (Angola)
Republic of Botswana (Botswana)
Republic of Burundi (Burundi)
Republic of Cape Verde (Cape Verde)
Republic of Chad (Chad)
Republic of the Congo (Congo)
Republic of Djibouti (Djibouti)
State of Eritrea (Eritrea)
Gabonese Republic (Gabon)
Republic of Ghana (Ghana)
Republic of Guinea-Bissau (Guinea-Bissau)
Kingdom of Lesotho (Lesotho)
Republic of Madagascar (Madagascar)
Republic of Mali (Mali)
Republic of Mauritius (Mauritius)
Republic of Namibia (Namibia)
Federal Republic of Nigeria (Nigeria)
Democratic Republic of Sao Tomé and Principe (Sao Tomé and Principe)
Republic of Sierra Leone (Sierra Leone)
Somalia
Kingdom of Swaziland (Swaziland)
Republic of Togo (Togo)
Republic of Zaire (Zaire)

Republic of Zimbabwe (Zimbabwe)
Republic of Benin (Benin)
Burkina Faso (Burkina)
Republic of Cameroon (Cameroon)
Central African Republic
Federal Islamic Republic of the Comoros (Comoros)
Republic of Côte d'Ivoire (Côte d'Ivoire)
Republic of Equatorial Guinea (Equatorial Guinea)
Ethiopia
Republic of the Gambia (Gambia)
Republic of Guinea (Guinea)
Republic of Kenya (Kenya)
Republic of Liberia (Liberia)
Republic of Malawi (Malawi)
Islamic Republic of Mauritania (Mauritania)
Republic of Mozambique (Mozambique)
Republic of Niger (Niger)
Republic of Rwanda (Rwanda)
Republic of Senegal (Senegal)
Republic of Seychelles (Seychelles)
Republic of South Africa (South Africa)
Republic of Sudan (Sudan)
United Republic of Tanzania (Tanzania)
Republic of Uganda (Uganda)
Republic of Zambia (Zambia)●

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. ROTH, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 2, a bill to amend the Internal Revenue Code of 1986 to provide tax relief for American families, and for other purposes.

S. 50

At the request of Mr. FAIRCLOTH, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 50, a bill to amend the Internal Revenue Code of 1986 to provide a nonrefundable tax credit for the expenses of an education at a 2-year college.

S. 127

At the request of Mr. MOYNIHAN, the name of the Senator from Nebraska [Mr. HAGEL] was added as a cosponsor of S. 127, a bill to amend the Internal Revenue Code of 1986 to make permanent the exclusion for employer-provided educational assistance programs, and for other purposes.

S. 219

At the request of Mr. GRASSLEY, the name of the Senator from Kansas [Mr. BROWNBACK] was added as a cosponsor of S. 219, a bill to amend the Trade Act of 1974 to establish procedures for identifying countries that deny market access for value-added agricultural products of the United States.

S. 275

At the request of Mr. CHAFEE, the names of the Senator from California [Mrs. BOXER] and the Senator from Florida [Mr. GRAHAM] were added as cosponsors of S. 275, a bill to amend the Internal Revenue Code of 1986 to provide for tax-exempt financing of private sector highway infrastructure construction.

S. 381

At the request of Mr. ROCKEFELLER, the name of the Senator from South Dakota [Mr. JOHNSON] was added as a cosponsor of S. 381, a bill to establish a demonstration project to study and provide coverage of routine patient care costs for medicare beneficiaries with cancer who are enrolled in an approved clinical trial program.

S. 419

At the request of Mr. BOND, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 419, a bill to provide surveillance, research, and services aimed at prevention of birth defects, and for other purposes.

S. 436

At the request of Mr. ROTH, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of S. 436, a bill to amend the Internal Revenue Code of 1986 to provide for the establishment of an intercity passenger rail trust fund, and for other purposes.

S. 496

At the request of Mr. CHAFEE, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 496, a bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax to individuals who rehabilitate historic homes or who are the first purchasers of rehabilitated historic homes for use as a principal residence.

S. 498

At the request of Mr. CHAFEE, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 498, a bill to amend the Internal Revenue Code of 1986 to allow an employee to elect to receive taxable cash compensation on lieu of nontaxable parking benefits, and for other purposes.

S. 528

At the request of Mr. CAMPBELL, the name of the Senator from Minnesota [Mr. GRAMS] was added as a cosponsor of S. 528, a bill to require the display of the POW/MIA flag on various occasions and in various locations.

S. 609

At the request of Mr. KENNEDY, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 609, a bill to amend the Public Health Service Act and Employee Retirement Income Security Act of 1974 to require that group and individual health insurance coverage and group health plans provide coverage for reconstructive breast surgery if they provide coverage for mastectomies.

S. 648

At the request of Mr. GORTON, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 648, a bill to establish legal standards and procedures for product liability litigation, and for other purposes.

S. 747

At the request of Mr. ROTH, the names of the Senator from Nebraska [Mr. HAGEL] and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of S. 747, a bill to amend trade laws and related provisions to clarify the designation of normal trade relations.

S. 764

At the request of Mr. SPECTER, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 764, a bill to reauthorize the mass transit programs of the Federal Government.

S. 766

At the request of Ms. SNOWE, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 766, a bill to require equitable coverage of prescription contraceptive drugs and devices, and contraceptive services under health plans.

S. 769

At the request of Mr. LAUTENBERG, the names of the Senator from South Dakota [Mr. DASCHLE] and the Senator from Washington [Mrs. MURRAY] were added as cosponsors of S. 769, a bill to amend the provisions of the Emergency Planning and Community Right-To-Know Act of 1986 to expand the public's right to know about toxic chemical use and release, to promote pollution prevention, and for other purposes.

SENATE RESOLUTION 57

At the request of Mr. DORGAN, the names of the Senator from Hawaii [Mr. AKAKA], the Senator from South Dakota [Mr. JOHNSON], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Arkansas [Mr. BUMPERS], and the Senator from Wyoming [Mr. THOMAS] were added as cosponsors of Senate Resolution 57, a resolution to support the commemoration of the bicentennial of the Lewis and Clark Expedition.

SENATE RESOLUTION 85

At the request of Mr. GREGG, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of Senate Resolution 85, a resolution expressing the sense of the Senate that individuals affected by breast cancer should not be alone in their fight against the disease.

SENATE RESOLUTION 88—RELATIVE TO THE JUMP$TART COALITION FOR PERSONAL LITERACY

Mr. D'AMATO submitted the following resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs;

S. RES. 88

Whereas at a time when more consumers are using credit than ever before, the financial skills of young adults are not adequate to cope with the rapid, technologically driven development of new financial products and new ways to deliver those products;

Whereas lack of financial management skills is a major cause of rising consumer bankruptcies and family crises, and generally impairs the health and welfare of the general public;

Whereas it is critical that students and young adults develop functional skills in money management, including basic budgeting, savings, investing, spending, and income;

Whereas the Senate commends the Jump$tart Coalition for Personal Financial Literacy for its effort to promote personal financial literacy; and