

16, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC-5294. A communication from the Deputy General Counsel, Small Business Administration, transmitting, pursuant to law, the report of a rule entitled "Pre-Disaster Mitigation Loans" (FR Doc. 99-23051, published on September 3, 1999, 64 FR 48275), received September 16, 1999; to the Committee on Small Business.

EC-5295. A communication from the Assistant Secretary for Fish and Wildlife and Parks, Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled Migratory Bird Hunting: Migratory Bird Hunting Regulations on Certain Federal Indian Reservations and Ceded Lands for the 1999-2000 Late Season" (RIN1018-AF24), received September 21, 1999; to the Committee on Indian Affairs.

EC-5296. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the report of the list of General Accounting Office reports for July 1999; to the Committee on Governmental Affairs.

EC-5297. A communication from the Secretary of Energy transmitting a draft of proposed legislation relative to the Weatherization Assistance Program for Low-Income Persons; to the Committee on Energy and Natural Resources.

EC-5298. A communication from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting a draft of proposed legislation relative to the Big Thicket National Preserve; to the Committee on Energy and Natural Resources.

EC-5299. A communication from the U.S. Trade Representative, Executive Office of the President, transmitting a draft of proposed legislation relative to U.S. textile and apparel rules of origin; to the Committee on Finance.

EC-5300. A communication from the Secretary of Agriculture transmitting a draft of proposed legislation relative to civil penalties for persons who harm animals used for official inspections by the Department of Agriculture, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

EC-5301. A communication from the Deputy Associate Administrator, Office of Acquisition Policy, Office of Governmentwide Policy, transmitting, pursuant to law, on behalf of the Department of Defense, the General Services Administration, and the National Aeronautics and Space Administration the report of Federal Acquisition Regulation rules entitled "Federal Acquisition Circular 97-14" (FAC 97-14), received September 17, 1999, to the Committee on Governmental Affairs.

EC-5302. A communication from the Comptroller General, transmitting, pursuant to law, a report relative to the President of the United State's third special impoundment message relating to the United States Emergency Refugee and Migration Assistance Fund transmitted jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, to the Committee on the Budget; and to the Committee on Foreign Relations.

#### PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-356. A resolution adopted by the City Council of Park Ridge City, Illinois relative

to power plants in the State of Illinois; to the Committee on Environment and Public Works.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LOTT (for Mr. McCAIN), from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 383. A bill to establish a national policy of basic consumer fair treatment for airline passengers (Rept. No. 106-162).

#### EXECUTIVE REPORT OF A COMMITTEE

The following executive report of committee was submitted:

By Mr. MURKOWSKI, for the Committee on Energy and Natural Resources:

Ivan Itkin, of Pennsylvania, to be Director of the Office of Civilian Radioactive Waste Management, Department of Energy.

(The above nomination was reported with the recommendation that he be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

#### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. LOTT (for Mr. McCAIN):

S. 1611. A bill to amend the Internet Tax Freedom Act to broaden its scope and make the moratorium permanent, and for other purposes; to the Committee on Commerce, Science, and Transportation.

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

S. 1612. A bill to direct the Secretary of the Interior to convey certain irrigation project property to certain irrigation and reclamation districts in the State of Nebraska; to the Committee on Energy and Natural Resources.

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

S. 1613. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Victory of Burhnam*; to the Committee on Commerce, Science, and Transportation.

S. 1614. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Lucky Dog*; to the Committee on Commerce, Science, and Transportation.

S. 1615. A bill to authorize the Secretary of transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Enterprise*; to the Committee on Commerce, Science, and Transportation.

Mr. LOTT (for Mr. McCAIN):

S. 1616. A bill to require the Secretary of Veterans Affairs to develop within the Department of Veterans Affairs a system for collecting payments under the Medical Care Cost Recovery Program that utilizes collection practices similar to private collection practices, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. DEWINE (for himself, Mr. VOINOVICH, and Mr. McCONNELL):

S. 1617. A bill to promote preservation and public awareness of the history of the Underground Railroad by providing financial assistance, to the Freedom Center in Cincinnati, Ohio; to the Committee on Energy and Natural Resources.

By Mr. GRAHAM (for himself, Mr. JEFFORDS, Mr. CHAFEE, Mr. BRYAN, Mr. ROCKEFELLER, and Mr. KERRY):

S. 1618. A bill to promote primary and secondary health promotion and disease prevention services and activities among the elderly, to amend title XVIII of the Social Security Act to add preventive benefits, and for other purposes; to the Committee on Finance.

By Mr. DEWINE (for himself, Mr. LOTT, Mr. AKAKA, Mr. INOUYE, Mr. ROBERTS, Mr. HAGEL, Mr. BUNNING, Mr. VOINOVICH, Mr. DORGAN, and Mr. CONRAD):

S. 1619. A bill to amend the Trade Act of 1974 to provide for periodic revision of retaliation lists or other remedial action implemented under section 306 of such Act; to the Committee on Finance.

By Mr. GORTON:

S. 1620. A bill to direct the Secretary of Agriculture to convey certain land to Federal Energy Regulatory Commission permit holders; to the Committee on Energy and Natural Resources.

By Ms. LANDRIEU (for herself and Mr. BREAUX):

S. 1621. A bill to amend the Federal Water Pollution Control Act to authorize funding to carry out certain water quality restoration projects for Lake Ponchartrain Basin, Louisiana, and for other purposes; to the Committee on Environment and Public Works.

By Mrs. LINCOLN (for herself, Mr. FRIST, Ms. LANDRIEU, Mr. HUTCHINSON, Mr. BREAUX, and Mr. DURBIN):

S. 1622. A bill to provide economic, planning, and coordination assistance needed for the development of the lower Mississippi river region; to the Committee on Environment and Public Works.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LOTT (for Mr. McCAIN):

S. 1611. A bill to amend the Internet Tax Freedom Act to broaden its scope and make the moratorium permanent, and for other purposes; to the Committee on Commerce, Science, and Transportation.

#### INTERNET TAX FREEDOM ACT OF 1999

Mr. McCAIN. Mr. President, I am pleased to introduce legislation today which will ensure that Internet commerce remains free from burdensome, anti-consumer taxation. Simply, this bill would make permanent the moratorium on sales and use taxes for e-commerce, and would encourage the Administration to urge our world trading partners to do the same.

I believed that this was the right approach last year. However, others were concerned about the impact on so-called "main street business" if such a prohibition against taxation of e-commerce was implemented. Therefore, I agreed to a temporary moratorium to allow more information to be gathered and those issues to be further considered. I now believe that additional information and further analysis of

Internet taxation issues confirms that indeed a complete moratorium is the right approach, and we should act now to protect the engine of our economy from unnecessary regulation and taxation.

In addition to the discussion here in the United States, protection of the Internet against international tariffs is also a topic of interest to our trade partners. It is important for us to set the tone for discussion with the international Internet community by establishing the Internet as a world-wide “tax-free zone.”

Conclusions included in a recent study completed by the respected auditing and consulting firm Ernst & Young supports passage of this legislation. The report found that the total sales and use taxes not collected by state and local governments from Internet e-commerce transactions amounted to only “one-tenth of one percent of total state and local sales and use tax collections.”

Further, Ernst & Young determined that the small effect of commerce transaction on sales and use tax revenues is due to several factors, including the fact that “an estimated 80% of current commerce is business-to-business sales that are either not subject to sales and use taxes or are effectively subject to use tax payments by in-state business purchasers,” “an estimated 63 percent of e-commerce sales are for intangible services, such as travel and financial services, or exempt products, such as groceries and prescription drugs” which are not subject to tax in most states.

As a result, “. . . only 13% of total e-commerce retail sale have potential sales and use tax collection issues.” Thus, the nearly infinitesimal effect on local revenues is not causing a financial crisis for either states or local communities.

Mr. President, what is clear is that the issues raised in relation to e-commerce transactions are really broader policy issues related to a fair and equitable tax policy in this country. Debate on this larger issue needs to take place. The discussion includes not just Internet sales or even catalog sales, but all of the ramifications of taxing sales of goods across state and international boundaries.

We must look at the costs to small businesses of administering different tax policies for each location in which it conducts business. We need to look at the effects of taxation on consumers. And, we need to consider how taxes affect the United States’ position as the world leader in technology application.

I look forward to the report in April from the panel commissioned last year by Congress to explore these issues. Recent media accounts suggest that they may not reach agreement on a plan to propose to Congress. I think it is important to move forward on ensuring that the default position absent a consensus proposal is not to lift the mora-

torium, but to place the burden of proof on those advocating taxation of e-commerce. This places the burden on those who support taxation to provide both the rationale and a workable methodology. I will be skeptical of both, but invite them to make their case and allow the debate. This bill ensure, however, that we don’t provide an incentive for inaction. This bill confirms that the right answer is to not tax unless there is a good reason to, and unless there is a fair mechanism for doing so.

I look forward to debate on what is a fair tax system in the United States, at both the national and state levels. However, while we continue that debate, we must also ensure that we do not perpetuate the problems currently ingrained in our tax system by applying them to the Internet.

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

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

S. 1611

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

**SECTION 1. MORATORIUM MADE PERMANENT; SCOPE.**

Section 1101(a) of the Internet Tax Freedom Act is amended—

(1) by striking “during the period beginning on October 1, 1998, and ending 3 years after the date of the enactment of this Act—”

and inserting “after September 30, 1998.”;

(2) by striking “and” after the semicolon in paragraph (1);

(3) redesignating paragraph (2) as paragraph (3); and

(4) inserting after paragraph (1) the following:

“(2) sales or use taxes for domestic or foreign goods or services acquired through electronic commerce; and”.

**SEC. 2. SENSE OF THE SENATE.**

It is the sense of the Senate that United States representatives to the World Trade Organization, and any other multilateral trade organization of which the United States is a member, should resolutely advocate that it is the firm position of the United States that electronic commerce conducted via the Internet should not be burdened by national or local regulation, taxation, or the imposition of tariffs on such commerce.

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

S. 1612. A bill to direct the Secretary of the Interior to convey certain irrigation project property to certain irrigation and reclamation districts in the State of Nebraska; to the Committee on Commerce, Science, and Transportation.

**THE MISSOURI RIVER BASIN, MIDDLE LOUP DIVISION PROJECT FACILITIES CONVEYANCE ACT**

Mr. KERREY. Mr. President, today I am joined by Senator HAGEL in introducing the Missouri River Basin, Middle Loup Division Project Facilities Conveyance Act.

The bill provides for the transfer of title of irrigation project facilities and lands from the Bureau of Reclamation,

U.S. Department of Interior to the Middle Loup Division irrigation districts in central Nebraska. These districts have operated the facilities there for over 35 years.

The project facilities are part of the Missouri River Basin Project, and provide water from the Middle Loup River to over 64,000 acres of irrigable land, as well as providing recreation and fish and wildlife benefits. Principal features of the projects include the Sherman Dam and Reservoir, the Arcadia Diversion Dam, the Milburn Diversion Dam, irrigation canals and laterals, drains and pumping plants.

Crops grown on these irrigated lands primarily include alfalfa, small grains, sugar beets, and corn to provide feed for a thriving livestock-feeding economy in my state of Nebraska, which includes beef cattle, hogs, and poultry.

In 1995, the Vice President indicated that the Bureau of Reclamation of the U.S. Department of Interior should transfer titles to allow local ownership of irrigation projects such as this. The Bureau has indicated to me that this project is a top candidate for title transfer to be achieved. This transfer also has the support of Nebraska’s Game and Parks Commission as well as the Middle Loup Public Power and Irrigation District. When this legislation passes, Nebraska will become the first state where title transfer efforts have been successful.

Two trust funds are to be created: one by the Districts and one by Nebraska Game and Parks Commission. Those two trusts will be equally funded from the proceeds of the transfer. Details of those two trusts are as follows:

First, a “Nebraska-Middle Loup River Community Environmental Trust” will be created by the Districts and will be funded with the proceeds of the transfer from the power producers share of the total payments. That fund will be administered and used by the Districts for environmental and conservation enhancements, to protect lands and facilities in the area of the River Basin in which the project facilities exist, and \$500,000 of the funds will be used expressly for drainage work required in the Middle Loup River valley near Loup City. The funds cannot be used for routine operation and maintenance of the project facilities.

And second, a “Nebraska-Middle Loup River Game and Parks Trust” will be created by Nebraska Game and Parks Commission and will be funded by the proceeds of the transfer from the District’s share of the total payments. That fund will be administered and used by the Game and Parks Commission to improve and enhance fisheries and recreation opportunities and to expand knowledge of water and land resources for enhancing project operations and improving the service of project purposes. Like the other trust, funds cannot be used for routine operations and maintenance of project facilities.

The irrigation projects and facilities were constructed between 1955 and 1966

under authorities of the Flood Control Act of 1944, and are currently operated and maintained under contracts between the Bureau and the irrigation districts and power producers. The transfer will provide for total repayment of all outstanding obligations on behalf of the irrigation districts and power producers, while retaining all current uses and purposes for the projects.

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. 1612

*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 "Missouri River Basin, Middle Loup Division Facilities Conveyance Act".

**SEC. 2. DEFINITIONS.**

In this Act:

(1) **COMMISSIONER.**—The term "Commissioner" means the Commissioner of Reclamation.

(2) **DISTRICT.**—The term "District" means—

(A) the Farwell Irrigation District, a political subdivision of the State of Nebraska;

(B) the Sargent Irrigation District, a political subdivision of the State of Nebraska; and

(C) the Loup Basin Reclamation District, a political subdivision of the State of Nebraska.

(3) **DISTRICT TRUST.**—The term "District Trust" means the Nebraska-Middle Loup River Community Environmental Trust established under section 5(a)(2)(B)(v).

(4) **GAME AND PARKS COMMISSION TRUST.**—The term "Game and Parks Commission Trust" means the Nebraska-Middle Loup River Game and Parks Commission Trust established under section 5(a)(2)(B)(vi).

(5) **PROJECT.**—The term "Project" means Sherman Reservoir, Milburn Diversion Dam, Arcadia Diversion Dam, related canals and other related lands, water rights, acquired land, distribution and diversion facilities, contracts, personal property, and other associated interests owned by the United States and authorized under the Act of June 17, 1902 (32 Stat. 388, chapter 1093), the Act of December 22, 1944 (commonly known as the "Flood Control Act of 1944") (58 Stat. 887, chapter 665), and the Act of August 3, 1956 (70 Stat. 975, chapter 917).

(6) **REPAYMENT AND WATER SERVICE CONTRACTS.**—The term "Repayment and Water Service Contracts" means all repayment and water service contracts between the Commissioner and the District relating to the Project.

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

(8) **TRUST.**—The term "Trust" means—

(A) the District Trust; and

(B) the Game and Parks Commission Trust.

**SEC. 3. CONVEYANCE OF THE PROJECT.**

(a) **CONVEYANCE.**—

(1) **IN GENERAL.**—The Secretary shall convey to the Districts, by quitclaim deed, assignment, or patent, the interest of the United States in the Project, in consideration of payment to the Secretary—

(A) by the Districts, of an amount not to exceed \$3,000,000, determined in accordance with the Bureau of Reclamation document

entitled "Framework for Title Transfer" and the memorandum of agreement between the Commissioner and the Districts under section 5; and

(B) by the Western Area Power Administration, of \$2,000,000.

(2) **TIMING.**—The conveyance under paragraph (1) shall be made concurrently with the making of the payment under paragraph (1)(A), but the payment under paragraph (1)(B) shall be made from capacity and energy charges at Pick-Sloan Missouri Basin Program firm power rates received in fiscal year 1999 or any subsequent fiscal year in which the amount of power sale revenue received exceeds the amount of interest and operation and maintenance obligations of the Western Area Power Administration by at least \$2,000,000, to the extent of the excess.

(3) **SATISFACTION OF OBLIGATIONS AGAINST THE PROJECT.**—The payment under paragraph (1)(A) shall constitute full and complete satisfaction of all obligations against the Project, the Districts, and the Western Area Power Administration existing before the date of the conveyance or thereafter relating to the Project, including—

(A) future obligations for additional drainage under section 5(a)(2)(iv);

(B) obligations under any contracts entered into between the United States, the Districts, and the Western Area Power Administration or its predecessors; and

(C) any obligation that may have been required by the Act of December 22, 1944 (58 Stat. 887, chapter 665) or other related Federal law.

(4) **SATISFACTION OF OBLIGATIONS FOR IRRIGATION BENEFITS.**—The conveyance of the Project and the payment of the consideration under paragraph (1) shall constitute full satisfaction of any and all obligations of the Districts or of the Pick-Sloan Missouri Basin Program firm power users or the Western Area Power Administration for irrigation benefits of the Project or for any other benefits conveyed to the Districts.

(b) **CONTAMINATED PROPERTY.**—

(1) **REMEDIAL ACTION.**—The Secretary shall convey the Project without regard to whether all necessary remedial action required under section 120(h)(3) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)(3)) on any part of the Project has been completed.

(2) **CONTINUING OBLIGATION TO COMPLETE REMEDIAL ACTION.**—Notwithstanding any law to the contrary, the United States shall remain during and subsequent to the conveyance obligated, at the expense of the United States, to complete any required remedial action.

(c) **EXTINCTION OF OBLIGATIONS BETWEEN THE COMMISSIONER AND THE DISTRICTS.**—Effective on the date of the conveyance, all obligations between the Commissioner and the Districts relating to the Project and the Repayment and Water Service Contracts are extinguished.

(d) **PAYMENT OF NEPA STUDY COSTS.**—The Commissioner and the Districts shall each pay 50 percent of the costs associated with compliance with the National Environmental Policy Act (42 U.S.C. 4321 et seq.).

(e) **CREDITING OF CERTAIN ITEMS TOWARD PAYMENT UNDER SUBSECTION (a)(1)(A).**—There shall be credited toward the payment under subsection (a)(1)(A)—

(1) the amount of any payment made by the Districts before the date of the conveyance for compliance with the National Environmental Policy Act (42 U.S.C. 4321 et seq.) in excess of 50 percent of the cost of compliance;

(2) the amount of any payments made by the Districts under contracts with the Commissioner between January 1, 1999, and the date of the conveyance;

(3) the present value of future operation and maintenance costs required for historic preservation on Project land at Sherman Reservoir; and

(4) any other amount specified in the memorandum of agreement between the Commissioner and the Districts under section 5.

(f) **ADDITIONAL DRAINAGE.**—

(1) **IN GENERAL.**—Of the \$2,000,000 paid by the Western Area Power Administration under subsection (a), \$500,000—

(A) shall be deposited in the fund referred to in section 5(a)(3); and

(B) shall be available for additional drainage projects.

(2) **NONREIMBURSABILITY.**—The amount deposited under paragraph (1) shall be nonreimbursable and nonreturnable.

(3) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated not more than \$500,000 for the additional drainage projects.

**SEC. 4. LIABILITY.**

Effective on the date of conveyance of the Project, the United States shall not be liable for claims, costs, damages, or judgments of any kind arising out of any act, omission, or occurrence related to the Project except for such claims, costs, or damages arising from acts of negligence committed by the United States or by employees, agents, or contractors of the United States before the date of conveyance for which the United States is liable under chapter 171 of title 28, United States Code (commonly known as the "Federal Tort Claims Act").

**SEC. 5. COMPLETION OF CONVEYANCE.**

(a) **IN GENERAL.**—The Secretary shall not make the conveyance under section 3 until the following events have been completed:

(1) Compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(2) **Execution of—**

(A) memoranda of agreement between the Commissioner and the Districts describing the purchase price and other terms and conditions of the conveyance consistent with this Act; and

(B) an agreement by the Districts to manage the Project in a manner substantially similar to the manner in which the Project was managed before the conveyance and in accordance with applicable Federal and State laws, including—

(i) preserving on a permanent basis the right of the State of Nebraska Games and Parks Commission to develop, provide, and protect the public interest in Project fish, wildlife, and recreation facilities related to the Projects;

(ii) providing for protection of cultural resources at the Project after the conveyance consistent with applicable law that authorizes the Districts or others with responsibility to protect significant historic features in situ or otherwise;

(iii) providing that the Districts shall annually make payments to local governments in the amounts in which the Commissioner made payment to the local governments under chapter 69 of title 31, United States Code (commonly known as "payments in lieu of taxes") for fiscal year 1999;

(iv) providing for—

(I) a plan for additional drainage work in the Middle Loup Valley as specified in the memoranda of agreement under paragraph (1); and

(II) the funding of the additional drainage work;

(v) providing for the establishment by the Districts of an organization to be known as the "Nebraska-Middle Loup River Community Environmental Trust" and to be organized under State law to preserve, protect, enhance, and manage the Project by—

(I) stabilizing surface and ground water supplies;

(II) conserving water and land resources;

(III) carrying out essential drainage projects using funds deposited under section 3(f); and

(IV) expanding knowledge of water and land resources for enhancing Project operations and improving the service of Project purposes; and

(vi) providing for the establishment by the Nebraska Game and Parks Commission of an organization to be known as the "Nebraska-Middle Loup River Game and Parks Trust" and to be organized under State law to—

(I) improve and enhance fisheries and recreational opportunities; and

(II) expand knowledge of water and land resources for enhancing Project operations and improving the service of Project purposes.

(3) DEPOSITS IN THE DISTRICT TRUST.—On receipt of the payments under section 3(a)(1), the Secretary shall deposit in the District trust—

(A) \$2,000,000 of the amount received under section 3(a)(1); and

(B) the entire amount received under section 3(a)(2).

(4) NO TAX; NO EFFECT ON RATES.—No payment under this Act—

(A) shall be subject to Federal or State income tax; or

(B) shall affect Pick-Sloan Missouri Basin Program firm power rates in any way.

(5) USE OF FUNDS.—

(A) FUNDS DEPOSITED UNDER SECTION 3(F).—The Trusts shall by their charters prohibit the use of any funds deposited under section 3(f) for routine operation and maintenance work by the Districts, the Game and Parks Commission, or any of the participating agencies of the Trusts.

(B) OTHER FUNDS.—Funds received by a Trust from a District or any other source may be used for any purpose.

(6) ASSISTANCE FOR DRAINAGE WORK.—The Game and Parks Commission Trust shall provide for direct priority assistance to the Districts for drainage work in the Middle Loup River Valley under conditions requiring greater trust fund investments than are available from the Trust.

(b) REPORT.—If the conveyance under section 3 is not substantially completed on or before December 31, 2000, the Secretary and the Districts shall promptly submit to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on the status of the conveyance describing the matters remaining to be resolved before completion of the conveyance and stating the anticipated date for the completion of the conveyance.

(c) FUTURE BENEFITS.—

(1) IN GENERAL.—Effective on the date of the conveyance under section 3, the Districts shall not be entitled to receive any further benefits under reclamation law not otherwise attributable to its status as a reclamation project under the Act of June 17, 1902 (32 Stat. 388, chapter 1093), and Acts supplemental to and amendatory of that Act (43 U.S.C. 371 et seq.).

(2) NO FLOOD CONTROL COMPONENT.—After the date of the conveyance under subsection 3, the Project shall no longer have a flood control component.

By Mr. LOTT (for Mr. McCAIN)

S. 1616. A bill to require the Secretary of Veterans Affairs to develop within the Department of Veterans Affairs a system for collecting payments under the Medical Care Cost Recovery Program that utilizes collection practices similar to private collection prac-

tices, and for other purposes; to the Committee on Veterans' Affairs.

#### BETTER MEDICAL COST COLLECTIONS

Mr. McCAIN. Mr. President, I am introducing legislation today to increase the funding available to the Department of Veterans Affairs (VA) without requiring an additional appropriation from the Congress for that chronically short-changed agency. The bill would improve VA's ability to collect insurance costs from third-party providers, generating new financial flows to the VA and benefiting all American veterans.

My colleagues are well aware that the President's budget request for the VA—scandalously, the fourth year in a row of effectively flat budget requests for the agency—falls fully \$3 billion short of what is needed for veterans' medical care in fiscal 2000, according to some of our most prominent veterans service organizations. Congress has tried to make up for this shortfall, but budget caps and competing priorities have made that effort exceedingly difficult. I previously wrote to the Chairman of the VA-HUD Appropriations Subcommittee and the Chairman of the Appropriations Committee to urge them to add fully \$3 billion in funding for veterans medical care. Nonetheless, I congratulate the Appropriations Committee for adding \$1.1 billion in new money for veterans medical care.

The 1997 Balanced Budget Act gave VA the authority to retain collections from private insurers for veterans health care as part of an agreement to free VA funding. However, VA has proven incapable of effectively collecting these private insurance payments. In fiscal 1996, VA sought recovery of about \$1.6 billion it was owed by private insurers but recovered only \$563 million, or 35 percent of the billed amount and a 3 percent decrease in collections from the previous year. That decline continued in fiscal 1997, when collections totaled \$524 million, and in fiscal 1998, when collections totaled about \$562 million. A 1998 Coopers and Lybrand study comparing VA and private-sector cost-recovery confirmed that VA's medical collection program is ineffective confirmed that VA's medical collection program is ineffective and delinquent. In short, the VA loses hundreds of millions of dollars in revenue every year that could be used to provide enhanced services to America's veterans, rather than be written off by government book-keepers.

The Independent Budget prepared by AMVETS, Disabled American Veterans, Paralyzed Veterans of America, and Veterans of Foreign Wars explicitly calls for Congress to give VA the authority to privatize its Medical Care Cost Recovery (MCCR) program. This legislation would mandate that VA privately contract for those collections for a period of three years, during which the VA would develop an internal process to improve medical cost recovery.

I am open to suggestions from other Members of Congress and our veterans

service organizations regarding other means to improve VA cost collection firm private insurers, and I note the Appropriations Committee's requirement for a VA study on this issue. However, I believe this legislation offers a near-term way to collect these much-needed funds.

Our veterans are being short-changed by their government, which pledged to support and care for them in exchange for their honorable service. I was proud when the Senate passed legislation Senator Wellstone and I sponsored to add \$3 billion in budget authority for the VA earlier this year. Unfortunately, we could not come up with a matching appropriation, although I applaud the increased funding for VA health care contained in the VA-HUD Appropriations bill. But we can empower the VA to improve its Medical Care Cost Recovery program in a way that increases VA revenues, thereby enhancing care for America's veterans. I hope every Member of Congress would agree that they have earned it.

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. 1616

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

#### SECTION 1. DEVELOPMENT WITHIN DEPARTMENT OF VETERANS AFFAIRS OF SYSTEM OF COLLECTIONS UNDER MEDICAL CARE COST RECOVERY PROGRAM USING PRIVATE COLLECTION PRACTICES.

(a) DEVELOPMENT OF PROPOSAL.—(1) The Secretary of Veterans Affairs shall develop a proposal for a system within the Department of Veterans Affairs for the collection of payments from third party payers under the Medical Care Cost Recovery Program of the Department which system shall, to the maximum extent practicable, utilize procedures for the collection of payments from third parties similar to the procedures utilized in the private sector for the collection of payments for health care costs from third parties.

(2) In developing the proposal, the Secretary shall consider a variety of procedures utilized in the private sector for the collection of payments for health care costs from third parties.

(b) USE OF PRIVATE COST-RECOVERY ENTITIES DURING DEVELOPMENT.—(1) Notwithstanding any other provision of law, the Secretary shall, during the period referred to in paragraph (3), provide for the collection of payments from third party payers under the Medical Care Cost Recovery Program solely through appropriate private entities with which the Secretary contracts for that purpose.

(2) The fee paid a private entity for the collection of payments under a contract under this subsection shall be a contingent fee based on the amount of payments collected by the entity under the contract.

(3) The period referred to in this paragraph is the period beginning as soon as practicable after the date of the enactment of this Act and ending on the date that is six months after the date on which the Secretary commences collections under the Medical Care Cost Recovery Program through a system within the Department under this section.

(c) SAFEGUARDS.—The Secretary shall take appropriate actions to ensure that any collection practices utilized under this section do not impose unwarranted financial or other burdens upon veterans who receive medical care from the Department of Veterans Affairs.

(d) SUBMITTAL OF PROPOSAL.—Not later than three years after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the proposal developed under subsection (a). The report shall include—

(1) a description of the system covered by the proposal; and

(2) an assessment by an appropriate entity independent of the Department of the potential effectiveness of the collection procedures under the system in comparison with the effectiveness of the collection procedures of the private entities utilized under subsection (b).

(e) IMPLEMENTATION OF PROPOSAL.—The Secretary shall implement the system covered by the proposal submitted under subsection (d) commencing 90 days after the date on which the Secretary submits to Congress the proposal on the system under that subsection.

(f) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated for the Department of Veterans Affairs such sums as may be necessary for purposes of developing the proposal for a system required by subsection (a) and implementing the system under subsection (e).

(2) Amounts appropriated pursuant to the authorization of appropriations in paragraph (1) shall remain available until expended.

By Mr. GRAHAM (for himself, Mr. JEFFORDS, Mr. CHAFEE, Mr. BRYAN, Mr. ROCKEFELLER, and Mr. KERRY):

S. 1618. A bill to promote primary and secondary health promotion and disease prevention services and activities among the elderly, to amend title XVIII of the Social Security Act to add preventive benefits, and for other purposes; to the Committee on Finance.

#### MEDICARE WELLNESS ACT

Mr. GRAHAM. Mr. President, I rise today, along with my colleagues, Senator JEFFORDS, Senator CHAFEE, Senator BRYAN, Senator ROCKEFELLER, and Senator KERRY to introduce the Medicare Wellness Act. The Medicare Wellness Act represents a concerted effort by myself and my distinguished colleagues to change the fundamental focus of the Medicare program.

It changes the program from one that simply treats illness and disability, to one that is also proactive. It enhances the focus on health promotion and disease prevention for Medicare beneficiaries.

Mr. President, despite common misperceptions, declines in health status are not inevitable with age. A healthier lifestyle, even one adopted later in life, can increase active life expectancy and decrease disability. This fact is a major reason why the Medicare Wellness Act has support from a broad range of groups, including the National Council on Aging, Partnership for Prevention, American Heart Association, and the National Osteoporosis Foundation.

The most significant aspect of this bill is its addition of several new pre-

ventative screening and counseling benefits to the Medicare program. The benefits being added focus on some of the most prominent, underlying risk factors for illness that face all Medicare beneficiaries, including: screening for hypertension, counseling for tobacco cessation, screening for glaucoma, counseling for hormone replacement therapy, screening for vision and hearing loss, expanded screening and counseling for osteoporosis, and screening for cholesterol.

The new benefits added by the Medicare Wellness Act represent the highest recommendations for Medicare beneficiaries of the U.S. Preventive Services Task Force—recognized as the gold standard within the prevention community. Attacking these prominent risk factors will reduce Medicare beneficiaries' risk for health problems such as stroke, diabetes, osteoporosis, heart disease, and blindness.

The addition of these new benefits would accelerate the fundamental shift, that began in 1997 under the Balanced Budget Act, in the Medicare program from a sickness program to a wellness program. Prior to 1997, only three preventive benefits were available to beneficiaries: pneumococcal vaccines, pap smears, and mammography.

Other major components of our bill include the establishment of the Healthy Seniors Promotion Program. This program will be led by an interagency work group within the Department of Health and Human Services. It will bring together all the agencies within HHS that address the medical, social and behavioral issues affecting the elderly and instructs them to undertake a series of studies which will increase knowledge about and utilization of prevention services among the elderly.

In addition, the Medicare Wellness Act incorporates an aggressive applied and original research effort that will investigate ways to improve the utilization of current and new preventive benefits and to investigate new methods of improving the health of Medicare beneficiaries.

Mr. President, this latter point is critical. The fact is that there are a number of prevention-related services available to Medicare beneficiaries today, including mammograms and colorectal cancer screening. But those services are seriously underutilized.

In a study published by Dartmouth University this spring (The Dartmouth Atlas of Health Care 1999), it was found that only 28 percent of women age 65-69 receive mammograms and only 12 percent of beneficiaries were screened for colorectal cancer. These are disturbing figures and they clearly demonstrate the need to find new and better ways to increase the rates of utilization of proven, demonstrated prevention services. Our bill would get us the information we need to increase rates of utilization for these services.

Further, our bill would establish a health risk appraisal and education

program aimed at major behavioral risk factors such as diet, exercise, alcohol and tobacco use, and depression. This program will target both pre-65 individuals and current Medicare beneficiaries.

The main goal of this program is to increase awareness among individuals of major risk factors that impact on health, to change personal health habits, improve health status, and save the Medicare program money. Our bill would require the Medicare Payment Advisory Commission, known as MedPAC, to report to Congress every two years and assess how the program needs to change over time in order to reflect modern benefits and treatment.

Shockingly, this is information that Congress currently does not receive on a routine basis. And this is a contributing factor to why we find ourselves today in a quandary over the outdated nature of the Medicare program. Quite frankly, Medicare hasn't kept up with the rest of the health care world.

While a vintage wine from the 1960s may be desirable, a health care system that is vintage 1965 is not. We need to do better.

Our bill would also require the Institute of Medicine (IOM) to conduct a study every five years to assess the scientific validity of the entire preventive benefits package. The study will be presented to Congress in a manner that mirrors The Trade Act of 1974.

The IOM's recommendations would be presented to Congress in legislative form. Congress would then have 60 days to review and then either accept or reject the IOM's recommendations for changes to the Medicare program. But Congress could not change the IOM's recommendations.

This "fast-track" process is a deliberate effort to get Congress out of the business of micro-managing the Medicare program. While limited to preventive benefits, this will offer a litmus test on a new approach to future Medicare decision making.

In the aggregate, The Medicare Wellness Act represents the most comprehensive legislative proposal in the 106th Congress for the Medicare program focused on health promotion and disease prevention for beneficiaries. It provides new screening and counseling benefits for beneficiaries, it provides critically needed research dollars, and it tests new treatment concepts through demonstration programs.

The Medicare Wellness Act represents sound health policy based on sound science. Before I conclude, I have a few final thoughts.

There are many here in Congress who argue that at a time when Medicare faces an uncertain financial future, this is the last time to be adding new benefits to a program that can ill afford the benefits it currently offers.

Normally I would agree with this assertion. But the issue of prevention is different. The old adage of "an ounce of prevention is worth a pound of cure" is very relevant here.

Does making preventive benefits available to Medicare beneficiaries "cost" money? Sure it does. But the return on the investment, the avoidance of the pound of cure and the related improvement in quality of life is unmistakable.

Along these lines, a longstanding problem facing lawmakers and advocates of prevention has been the position taken by the Congressional Budget Office, as it evaluates the budgetary impact of all legislative proposals.

Only costs incurred by the Federal government over the next ten years can be considered in weighing the "cost" of adding new benefits. From a public health and quality of life standpoint, this premise is unacceptable.

Among the problems with this practice is that "savings" incurred by increasing the availability and utilization of preventive benefits often occur over a period of time greater than 10 years. This problem is best illustrated in an examination of the "compression of morbidity" theory developed by Dr. James Fries of Stanford University over 20 years ago.

According to Dr. Fries, by delaying the onset of chronic illness among seniors, there is a resulting decrease in the length of time illness or disability is present in the latter stages of life. This "compression" improves quality of life and reduces the rate of growth in health care costs. But, these changes are gradual and occur over an extended period of time—10, 20, even 30 years.

With the average life expectancy of individuals who reach 65 being nearly 20 years—20 years for women and 18 years for men—it only makes sense to look at services and benefits that improve quality of life and reduce costs to the Federal government for that 20 year lifespan.

In addition to increased lifespan, a ten year budget scoring window doesn't factor into consideration the impact of such services on the private sector, such as increased productivity and reduced absenteeism, for the many seniors that continue working beyond age 65. The bottom line is, the most important reason to cover preventive services is to improve health.

As the end of the century nears, children born now are living nearly 30 years longer than children born in 1900.

While prevention services in isolation won't reduce costs, they will moderate increases in the utilization and spending on more expensive acute and chronic treatment services.

As Congress considers different ways to reform Medicare, two basic questions regarding preventive services and the elderly must be part of the debate.

(1) Is the value of improved quality of life worth the expenditure? And,

(2) How important is it for the Medicare population to be able to maintain healthy, functional and productive lives?

These are just some of the questions we must answer in the coming debate over Medicare reform.

While improving Medicare's financial outlook for future generations is imperative, we must do it in a way that gives our seniors the ability to live longer, healthier and valued lives. I believe that by pursuing a prevention strategy that addresses some of the most fundamental risk factors for chronic illness and disability that face seniors, we will make an invaluable contribution to the Medicare reform debate and, more importantly, to our children and grandchildren.

Finally, Mr. President, I would be remiss in pointing out that the Medicare Wellness Act represents the first time in this Congress that Republicans and Democrats have gotten together in support of a major piece of Medicare reform legislation. This bill represents a health care philosophy that bridges political boundaries. It just makes sense. And you see that common sense approach today from myself and my esteemed colleagues who have joined me in the introduction of this bill.

Mr. President, I encourage my colleagues to join us on this important bill and to work with us to ensure that the provisions of this bill are reflected in any Medicare reform legislation that is debated and voted on this year in the Senate.

Mr. JEFFORDS. Mr. President, I am pleased to join my colleague, Senator GRAHAM, to introduce the Medicare Wellness Act of 1999. This legislation will modernize Medicare benefits and improve the preventive care received by our nation's seniors.

The Medicare program was designed in 1965 to provide seniors with access to the same health care services enjoyed under private health insurance plans. Medical science has grown by leaps and bounds in the decades since that time. Most of the private sector acted swiftly to cover preventive benefits when they realized that it is cheaper to screen for an illness and treat its early diagnosis than to pay for drastic procedures in a hospital later on. Congress has been too slow in extending to Medicare beneficiaries the same advances in quality care enjoyed throughout the rest of the health care system.

The Medicare Wellness Act adds to the Medicare program those benefits recommended by the U.S. Preventive Services Task Force. These include: screening for hypertension, counseling for tobacco cessation, screening for glaucoma, counseling for hormone replacement therapy, screening for vision and hearing loss, expanded screening and counseling for osteoporosis, and cholesterol screening. These are some of the most prominent risk factors facing Medicare beneficiaries. If these symptoms are addressed regularly, beneficiaries will have a head start on fighting the conditions they lead to, such as diabetes, lung cancer, heart disease, blindness, osteoporosis, and many others.

Beyond the eight new preventive benefits under this bill, the Institute of Medicine (IOM) will conduct a study

every five years to assess the scientific validity and cost-effectiveness of the preventive benefits package. When presented to Congress, the study will recommend what, if any, preventive benefits should be added, or removed from the Medicare program. By facing such regularly scheduled considerations of preventive benefits, Congress will do a much better job of keeping the Medicare program up to date with the rapid advances in medical science.

The Medicare Wellness Act also instructs the Secretary of Health and Human Services to coordinate with the Centers for Disease Control and Prevention and the Health Care Financing Administration to establish a Risk Appraisal and Education Program. This program will target both current beneficiaries and individuals with high risk factors below the age of 65. Outreach to these groups will offer questions regarding major behavioral risk factors, including the lack of proper nutrition, the use of alcohol, the lack of regular exercise, the use of tobacco, and depression. State of the art software, case managers, and nurse hotlines will then identify what conditions beneficiaries are at risk for, based on their individual responses to the questions, and inform them of actions they can take to lead a healthier life.

Any modern health care professional can tell you that effective health care addresses the whole health of an individual. A lifestyle that includes proper exercise and nutrition, and access to regular disease screening ensures attention to the whole individual, not just a solitary body part. It is time we reaffirm our commitment to provide our nation's seniors with quality health care.

I want to thank my colleagues, Senators GRAHAM, CHAFEE, BRYAN, ROCKEFELLER, and KERRY for their dedication to the idea of changing Medicare from a sickness program to a wellness program.

Mr. President, I yield the floor.

By Mr. DEWINE (for himself, Mr. LOTT, Mr. AKAKA, Mr. INOUYE, Mr. ROBERTS, Mr. HAGEL, Mr. BUNNING, Mr. VOINOVICH, Mr. DORGAN, and Mr. CONRAD):

S. 1619. A bill to amend the Trade Act of 1974 to provide for periodic revision of retaliation lists or other remedial action implemented under section 306 of such Act; to the Committee on Finance.

CAROUSEL RETALIATION ACT OF 1999

Mr. DEWINE. Mr. President, I rise this afternoon on behalf of my colleague, Senator HAGEL, as well as Majority Leader LOTT, Senator AKAKA, Senator INOUYE, Senator ROBERTS, Senator BUNNING, Senator VOINOVICH, Senator DORGAN, and Senator CONRAD, to introduce the Carousel Retaliation Act of 1999. This bill would create a powerful mechanism to protect our Nation from illegal foreign trade practices.

These are the facts. Today, our Nation is being injured by the refusal of

some foreign countries to comply with World Trade Organization, WTO, dispute settlement rulings. Let me repeat that. Other countries are failing to comply with the rulings of the WTO. As many of my colleagues know, the WTO has a very detailed process for handling trade disputes between member nations. Unfortunately, some member nations are simply undermining this entire process by refusing to comply with the final dispute settlement decision, even after losing their cases on appeal.

Noncompliance with dispute settlement rulings severely undermines open and fair trade. As many of our farmers, cattle ranchers, and large and small businessowners know firsthand, this is having a devastating impact on their efforts and attempt to maintain or gain access to important new international markets.

In an effort to secure compliance, the dispute settlement process provides the winning nation the authority to retaliate. The winning nation, after a decision has been made, can legally retaliate. That is what the provision is; they can retaliate against that losing nation. They can do so if, at the end of a reasonable period of time, the losing country does not abide by the final decision. Retaliation usually begins with the estimation of damages caused by the refusal, followed then by WTO authorization to impose penalty duties on the offending country's exports. However, even with retaliation, some nations are still refusing to comply.

The European Union has made it clear that it is willing to live in perpetuity with the present U.S. retaliation lists, which is why the WTO ruled in both the pending beef and banana trade cases that the United States can impose retaliatory tariffs on European imports. We are doing that. Moreover, they are entertaining the possibility of subsidizing their affected domestic targets to counter our WTO-authorized action. Not only are they ignoring what the ruling was, not only are they ignoring our retaliation, now they are turning around and preparing to subsidize these particular products. Both of these trade cases that I have mentioned took several long years to work through the dispute settlement system and were undertaken, frankly, at great expense to the U.S. Government and to the private sector in our country.

The European Union's actions are establishing a very dangerous precedent. If they are successful, then other nations can be expected to follow a similar course. Something simply must be done. Something must be done to increase the likelihood of compliance, or we risk losing more than a WTO case; we risk losing American jobs. Therefore, it is important that the WTO's dispute settlement process be strengthened. That is what this bill does, and that is what we are talking about today.

Our proposed Carousel Retaliation Act will help ensure the integrity of

the WTO settlement dispute process because it will provide a powerful mechanism that will place considerable pressure on noncompliant countries to comply. The measure will shake these noncompliant countries up and it will complicate any effort they undertake to counter U.S. retaliatory measures. Specifically, our bill would amend the U.S. Trade Act of 1974 by requiring the U.S. Trade Representative to periodically carousel—or rotate—the list of goods subject to retaliation when a foreign country or countries have failed to comply with a WTO ruling. Let me add that this is very clearly consistent with WTO rules.

Under our bill, the retaliation list would be caroused, or rotated, to affect other goods 120 days from the date the first list is made, and then every 180 days thereafter. The bill provides the U.S. Trade Representative the authority to make exceptions. The representative would not have to do this if, 1, it could be determined that compliance is imminent; or, 2, if both the U.S. Trade Representative and the affected petitioners agree that carousing in that particular case is not necessary. Currently, the U.S. Trade Representative has the authority to carousel retaliation lists, but is not required to do so. What our bill does is change the law and requires the Trade Representative to do this.

The WTO is one of the most important means for American businesses and producers to open foreign markets, liberalize commerce, resolve disputes, and ensure more open and fair trade. American farmers and agribusiness, for example, are major net exporters, posting exports of more than \$57 billion in 1997. But frankly we can do more and better, and we must. Of the nearly 50 complaints filed by the United States in the WTO, almost 30 percent involved agriculture. If countries fail to comply with WTO rulings, American agriculture and other U.S. sectors in need of trade relief will suffer greatly. The American Farm Bureau Federation, the National Cattlemen's Beef Association, the American Meat Institute, the U.S. Meat Export Federation, and the Hawaii Banana Industry Association support the bill.

The "Carousel Retaliation Act," candidly, is tough, but it is meant to be tough. It is the right response to chronic noncompliance with WTO rules.

Again, I commend my colleague, Senator HAGEL, who is on the floor at this moment, and Senators LOTT, AKAKA, INOUE, ROBERTS, BUNNING, VOINOVICH, DORGAN, and CONRAD for their dedication to this issue.

I urge my colleagues to join this effort to protect our Nation from illegal foreign trade practices and cosponsor the "Carousel Retaliation Act."

I thank the Chair.

I see my colleague from Nebraska is on the floor. I suspect he would like to talk about this bill as well.

Thank you very much. I yield the floor.

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. 1619

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

**SECTION 1. REVISION OF RETALIATION LIST OR OTHER REMEDIAL ACTION.**

Section 306(b)(2) of the Trade Act of 1974 (19 U.S.C. 2416(b)(2)) is amended—

(1) by striking "If the" and inserting the following:

"(A) FAILURE TO IMPLEMENT RECOMMENDATION.—If the"; and

(2) by adding at the end the following:

"(B) REVISION OF RETALIATION LIST AND ACTION.—

"(i) IN GENERAL.—Except as provided in clause (ii), in the event that the United States initiates a retaliation list or takes any other action described in section 301(c)(1) (A) or (B) against the goods of a foreign country or countries because of the failure of such country or countries to implement the recommendation made pursuant to a dispute settlement proceeding under the World Trade Organization, the Trade Representative shall periodically revise the list or action to affect other goods of the country or countries that have failed to implement the recommendation.

"(ii) EXCEPTION.—The Trade Representative is not required to revise the retaliation list or the action described in clause (i) with respect to a country, if—

"(I) the Trade Representative determines that implementation of a recommendation made pursuant to a dispute settlement proceeding described in clause (i) by the country is imminent; or

"(II) the Trade Representative together with the petitioner involved in the initial investigation under this chapter (or if no petition was filed, the affected United States industry) agree that it is unnecessary to revise the retaliation list.

"(C) SCHEDULE FOR REVISING LIST OR ACTION.—The Trade Representative shall, 120 days after the date the retaliation list or other section 301(a) action is first taken, and every 180 days thereafter, review the list or action taken and revise, in whole or in part, the list or action to affect other goods of the subject country or countries.

"(D) STANDARDS FOR REVISING LIST OR ACTION.—In revising any list or action against a country or countries under this subsection, the Trade Representative shall act in a manner that is most likely to result in the country or countries implementing the recommendations adopted in the dispute settlement proceeding or in achieving a mutually satisfactory solution to the issue that gave rise to the dispute settlement proceeding. The Trade Representative shall consult with the petitioner, if any, involved in the initial investigation under this chapter.

"(E) RETALIATION LIST.—The term 'retaliation list' means the list of products of a foreign country or countries that have failed to comply with the report of the panel or Appellate Body of the WTO and with respect to which the Trade Representative is imposing duties above the level that would otherwise be imposed under the Harmonized Tariff Schedule of the United States."

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. HAGEL. Mr. President, I wish to thank my distinguished colleague and friend from Ohio for his leadership on the "Carousel Retaliation Act."

I am a free trader, but I am also a fair trader. Trade is our economic future. It is especially so in agriculture. Trade is our strongest engine of economic growth.

I, as have many of my colleagues, have fought for legislative reform on unilateral sanctions policies that hurt our trade, trade reform, fast-track authority for the President, and other trade-related legislation.

Free trade is a two-way street. Unfortunately, throughout the world the instinct for protectionism still remains strong. If trading partners take advantage of us, we can't simply remain passive and permit American exporters—especially farmers and ranchers—to continue to take a beating in foreign markets.

Trade is a two-way street. Free, fair, and open trade is a two-way street. Access to markets improves all people's standard of living. Some of our trading partners believe this. Some people talk about it, and some people actually do something about it. Unfortunately, many of our trading partners' rhetoric is stronger than their actions. That is why I am an original cosponsor of this bill.

As you heard from my colleague, Senator DEWINE, this bill would require the U.S. Trade Representative to periodically review a retaliation list of foreign products from countries that fail to comply with the World Trade Organization rulings or do not reduce trade barriers against the United States. Different products would be rotated on and off the list every few months until the offending countries made the right changes in trade policy.

That is what we as a community of nations of civilized people decided to do when we formed the World Trade Organization. That is what the World Trade Organization is about—to sort through disputes in trade. If we cannot rely on the World Trade Organization to make tough decisions, settle those disputes, and then enforce the WTO rulings, then what good is the organization?

If the members of the World Trade Organization find some rulings against their own self-interest and not in compliance with what they think is right, or if they believe they must pick and choose which WTO rulings they will enforce and live with, then we don't have much of an open, fair, and free trade organization that today is known as the World Trade Organization. It is a myth and it is a charade unless we all comply with the WTO rulings and enforce the rulings. That is the only way it will work.

The policy of targeted tariffs is prompted, quite honestly, by the European Union's ban on American beef. There is no scientific evidence to support the European Union's contention that using growth-enhancing hormones in cattle poses any health threat to humans. There is no scientific evidence at all.

But yet, even though we have won case after case in the World Trade Or-

ganization, the European Union continues to walk through this charade of artificial tariffs and barriers. The hormone argument is a very flimsy excuse, at best, for straight out, raw protectionism. The WTO's recent position vindicating their position was essentially a slap on the wrist for the EU, and still the EU is trying to delay compliance with even this token penalty.

If the EU keeps playing games with the United States in the hormone-enhancing beef issue, this policy of targeted tariffs will provide us with a flexible, effective way to respond. No one wants to take this kind of action. But each one of us in this body represents hard-working constituents who seek to improve their communities, enhance the growth of their families, give the world opportunities, and playing by the rules. That is what we are talking about here—playing by the rules straight out, to be honest.

Again, I don't look forward to working on this bill to implement it if, in the interest of open, fair, and free trade, we must resort to this kind of activity. American farmers and ranchers are hurting partly because of weak export markets. It is not because they are not producing quality products. We produce quality products. But it is because of politics and protectionism.

I strongly support this bill. I am proud to be an original cosponsor. I am sorry we have to take this measure, but it is necessary. And the world must understand that the United States will do whatever it takes to support our producers and to assure, as best we can, that the world improves all people's lives, all people's standard of living, hope, opportunity, and economic growth if we continue to make progress with free, open, fair trade.

By Mr. GORTON:

S. 1620. A bill to direct the Secretary of Agriculture to convey certain land to Federal Energy Regulatory Commission permit holders; to the Committee on Energy and Natural Resources.

MOUNT BAKER SNOQUALMIE NATIONAL FOREST  
LEGISLATION

- Mr. GORTON. Mr. President, in recent years, I have become increasingly frustrated with the inability of the Forest Service to complete work on several small hydroelectric projects located on the Mount Baker/Snoqualmie National Forest in my State. The Service's inability to make important decisions on these renewable energy resources is based on an inaccurate interpretation of the President's Northwest Forest Plan ("ROD") which has stopped these projects from going forward.

The President's Northwest Forest Plan states clearly that multipurpose uses of the federal forests are not precluded, and that the plan must follow existing law applying to such uses. Yet, since its adoption in 1994, the Forest Service has and continues to paralyze the development of small hydroelectric projects by ignoring laws applying to

multipurpose. This inaction has delayed and stifled review of such projects by the Federal Energy Regulatory Commission—the agency responsible for issuing federal licenses for hydroelectric projects.

Forest Service interpretation of the ROD intrudes directly on the ability of the Commission to perform its hydroelectric licensing function of balancing development and nondevelopment issues. Both the Commission, when determining consistency with the purpose of a national forest under Section 4(e) of the Act, and the Forest Service, when determining whether to issue a special use permit, must apply existing law fairly. Forest Service inaction on pending projects (some of which have been under review for over a decade) prevents FERC from completing its licensing responsibilities.

In terms of federal forest management, the six small hydroelectric projects proposed for the Mount Baker/Snoqualmie National Forest are virtually inconsequential. All are located well above areas affecting anadromous fish, and would occupy a total of 10 to 40 acres each, with most of the sites being untouched except for the portions needed for project facilities. Adverse impacts to fish, wildlife or other environmental resources are subject to mitigation by FERC and the Forest Service.

Project proponents in my state have spent millions of dollars to secure approval of six projects located in the Mount Baker/Snoqualmie National Forest, including project design and environmental analysis necessary to gain approval from the Forest Service and FERC. In spite of the fact that the 1994 ROD instructs the Forest Service to use "transition" provisions to approve pending projects, it has not done so, and continues to add project review requirements not allowed by the ROD or existing law. As a result, the Forest Service is stopping FERC from making timely licensing decisions on these projects. Shifting standards of review and delay by the Forest Service have deprived project proponents of their right to rely upon clear standards for project approval before expending funds in reliance on such standards.

Many aspects of these projects were found to be in compliance with prior forest regulations and other environmental laws, and are being subjected to duplicative and inconsistent review. Provisions of the ROD developed for application to extremely large-scale timber harvest are not meant to impact small-scale hydroelectric projects. Timber management regulations are totally disproportionate with the scale of any potential environmental impacts of small scale hydroelectric facilities. In fact, the ROD itself explicitly recognizes that uses other than timber harvest do not require the same level of restrictions.

The Forest Service continues to use the ROD as a reason for imposing new study requirements, increasing mitigation demands, and ignoring agreements

on project compliance with forest plan standards and FERC requirements. Each new requirement adds onerous financial burdens on project proponents, delays project approval, and undermines the regulatory need for an end to project review so a final licensing decision can be made by FERC.

Actions by the Forest Service have placed that agency in direct conflict with FERC, a result not intended by the ROD. FERC's jurisdiction over hydroelectric project licensing is unaltered by the ROD, which itself calls for increased interagency cooperation, not confrontation.

Mr. President, I have tried in recent years through my position as Chairman of the Senate Interior Appropriations Subcommittee responsible for funding the Forest Service's annual budget to get some answers from this agency as to why it was holding up these hydroelectric projects. In 1995, I inserted language directing the Forest Service to "conduct an expeditious review" of projects covered by the ROD. In subsequent hearings, I have continued to ask agency witnesses for a status report. To date, none of the responses from the Forest Service have satisfied my concerns or adequately addressed this issue.

For this reason, I am introducing legislation today that would expedite the hydroelectric project review process. It will require the Forest Service to convey to permit holders and license applicants for these projects at fair market value the parcels of land necessary for development of these projects. While I would prefer and am still hopeful that this issue can be resolved in negotiations between the project proponents and the agency, clearly this process is broken and needs to be fixed. This legislation should serve as a catalyst for resolving outstanding hydroelectric project review issues. Project proponents deserve at least that much.●

By Ms. LANDRIEU (for herself and Mr. BREAUX)

S. 1621. A bill to amend the Federal Water Pollution Control Act to authorize funding to carry out certain water quality restoration projects for Lake Pontchartrain Basin, Louisiana, and for other purposes; to the Committee on Environment and Public Works.

THE LAKE PONTCHARTRAIN BASIN RESTORATION ACT OF 1999

● Ms. LANDRIEU. Mr. President, today I rise on behalf of myself and my colleague, Senator JOHN BREAUX to introduce legislation that would restore and maintain the ecological health of the Lake Pontchartrain Basin—one of the largest estuarine systems in the United States. Known for its slow flowing rivers and bayous, tranquil swamps and lush hardwood forests, the Pontchartrain Basin contains the most diverse topography in the State of Louisiana.

The Pontchartrain Basin is a 5,000 square mile watershed encompassing 16 parishes in southeast Louisiana and 4

Mississippi counties. The vast wetlands and marshes that surround the Basin's waters provide essential habitat for countless species of fish, birds, mammals, reptiles and plants. At the center of the Basin is the 630 square mile Lake Pontchartrain, which is surrounded by 1.5 million residents, making it the most densely populated area in Louisiana. Lake Pontchartrain is just one part of a vast ecological system called the Pontchartrain Basin. The Basin also includes Lake Maurepas and Lake Borgne. These three contiguous water bodies make up the largest estuary system in the Gulf Coast region, and their wetland fisheries contribute over \$35 million to the local economy and provide the abundance of fresh seafood that has made southeastern Louisiana famous.

Since the 1940's, increased population, urbanization, and land use changes have altered or destroyed much of the Pontchartrain Basin's valuable ecological resources. The Lake's south shore—once a famous gathering ground for swimmers, has been closed since the late 1960's because of pollution and other conditions caused by stormwater and wastewater discharges, oil and gas development and some agricultural activities. Natural occurrences such as shoreline erosion, hurricanes, and land subsidence combined with sea level rise also have harmed the Basin's sensitive ecology.

Mr. President, we introduce the "Lake Pontchartrain Basin Restoration Act of 1999," with the purpose of restoring and maintaining the unique ecology of this nationally significant watershed. This important legislation would establish a well coordinated and technically sound management program for the restoration and sustainable health of the Pontchartrain Basin ecosystem.

This legislation would also: coordinate the restoration efforts of federal, state and local agencies and organizations in the restoration of the Basin; authorize and provide resources for restoration projects in the Pontchartrain Basin; and establish a Lake Pontchartrain Basin Restoration Program within the U.S. Environmental Protection Agency.

We believe this is a nationally significant watershed restoration effort that deserves our support. The Pontchartrain Basin is the center of Southeastern Louisiana's unique cultural heritage—providing valuable habitat for wildlife and countless recreation opportunities for sportsmen and other outdoor enthusiasts. The area is brimming with a diverse population of people bound by a common interest: The desire for clean and healthy waters in the Pontchartrain Basin. Over the last decade, the restoration of the Lake Pontchartrain Basin has become one of the strongest grassroots watershed clean-up efforts in the nation.

Mr. President, I would also like to publicly acknowledge the Lake Pontchartrain Basin Foundation, the Uni-

versity of New Orleans and the Regional Planning Commission for the Louisiana parishes of Orleans, Jefferson, St. Bernard, St. Tammany and Plaquemines, for their efforts in developing this important legislation. We strongly urge our colleagues to support this measure as well.●

By Mrs. LINCOLN (for herself, Mr. FRIST, Ms. LANDRIEU, Mr. HUTCHINSON, Mr. BREAUX, and Mr. DURBIN):

S. 1622. A bill to provide economic, planning, and coordination assistance needed for the development of the lower Mississippi River region; to the Committee on Environment and Public Works.

THE DELTA REGIONAL AUTHORITY ACT OF 1999

Mrs. LINCOLN. Mr. President, today I am introducing the Delta Regional Authority Act of 1999, which is aimed at improving the economy of the Mississippi Delta region, the poorest region in the country.

The lower Mississippi Delta region, following the course of the Mississippi River, stretches from southern Illinois to the Delta of the Mississippi and the Gulf of Mexico. According to the latest Census figures, communities in the Delta region of seven States—Illinois, Missouri, Kentucky, Tennessee, Arkansas, Mississippi, and Louisiana—face a poverty rate of 22 percent while the national average is 12 percent.

This legislation seeks to build on efforts begun more than a decade ago, when Congress created the Lower Mississippi Delta Development Commission. Under the leadership of former Arkansas Senator Dale Bumpers, the Commission was charged with studying the unique problems of the Delta region and recommending a course of action. I refer my colleagues to Senator Bumpers' statement, which appears on page S25689 of the September 27, 1988 CONGRESSIONAL RECORD, in which he introduced legislation authorizing the Commission. The Commission submitted its report, "Realizing the Dream . . . Fulfilling the Potential," in 1990. The Chairman of the Commission, former Arkansas Governor Bill Clinton, called the report a "handbook for action."

The report highlighted problems facing the Delta, whose economy has traditionally been based on agriculture. The report noted the Delta faced high unemployment, low levels of income and education, welfare dependency, poor health care and housing, along with serious shortcomings in transportation infrastructure. Unfortunately, a decade after the report was issued, these problems still exist. While Congress took one bold step toward solving these problems when we passed welfare reform, there is still much to be done.

In particular, this bill seeks to improve the infrastructure of the Delta region. It is common knowledge that when industries seek to expand and build new facilities, they look at the availability of roads, water systems

and other infrastructure. The Federal Government has tried to foster development in these areas by providing Federal grant monies, but we haven't approached the economic problems in the region with an appropriate understanding of the unique demographic and geographic challenges that face the Delta.

Education programs are available, but if there's no technical assistance to help people actually access the grant resources, then the programs are essentially wasted. We can encourage young folks to pursue higher education and start their own businesses, but if there is no basic infrastructure, if transportation and other resources are inadequate, how can they succeed? For instance, in many areas of the Arkansas Delta there are no copy shops, computer repair stores, or office supply stores. These basic offerings that we take for granted in larger cities simply are not available and that is why creating a central location for technical assistance is so vital. We may not be able to put copy shops in place, but we can provide help that will be only a phone call or an e-mail away.

Currently, many communities in the Delta have problems gaining federal grants for two reasons. First, they often don't have the technical expertise to complete the grant applications. Second, they often don't have enough money to meet the local matching requirement. The Delta Regional Authority created by this legislation will be authorized \$30 million annually to provide technical assistance in the grant application process. In effect, local communities across the seven state region will have one-stop shopping when they need assistance completing grant applications and accessing resources for economic development. Second, the Delta Regional Authority will be authorized to provide money to help grant applicants meet the federal match. Certainly the matching dollar requirement in the grant application process is important to demonstrate the community's commitment to the project, but we shouldn't exclude the very communities who need grant assistance the most.

The Delta Regional Authority will function along the same lines as the Appalachian Regional Commission. But it will operate entirely independently of the ARC. The Delta Regional Authority's mission will be to help create jobs, attract industrial development and grow the local economies by improving infrastructure, training the workforce and building local leadership.

I would like to thank staff of the Appalachian Regional Commission, who worked very closely with us in drafting this legislation. Special thanks also is due to the National Association of Development Organizations, the Lower Mississippi Delta Development Center and many local economic development groups who provided suggestions and input. Last, but certainly not least, I

would like to commend Representative MARION BERRY, who represents my home in the First Congressional District of Arkansas, who has introduced companion legislation in the House of Representatives. I certainly hope that today's introduction of legislation is the first step toward making the Delta Regional Authority a reality.

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. 1622

*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 "Delta Regional Authority Act of 1999".

**SEC. 2. FINDINGS AND PURPOSES.**

(a) FINDINGS.—Congress finds that—

(1) the lower Mississippi River region (referred to in this Act as the "region"), though rich in natural and human resources, lags behind the rest of the United States in economic growth and prosperity;

(2) the region suffers from a greater proportion of measurable poverty and unemployment than any other region of the United States, resulting in a drain on the national economy and diminishing national wealth;

(3) the greatest hope for economic growth and revitalization in the region lies in the creation of jobs, the expansion of businesses, and the development of entrepreneurial local economies;

(4) the economic progress of the region requires an adequate physical infrastructure, a skilled and trained workforce, enhanced local leadership and civic capacity, and greater opportunities for enterprise development and entrepreneurship;

(5) a concerted and coordinated effort among Federal, State, and local agencies, the private sector, nonprofit groups, and community-based organizations is needed if the region is to share in the prosperity of the United States;

(6) economic development planning on a regional or multicounty basis offers the best prospect for achieving the maximum benefit from public and private investments; and

(7) improving the economy of the region requires a special emphasis on those of the region that are most economically distressed.

(b) PURPOSES.—The purposes of this Act are—

(1) to promote and encourage the economic development of the region—

(A) to ensure that the communities and people in the region have the opportunity to participate more fully in the prosperity of the United States; and

(B) to ensure that the economy of the region reaches economic parity with that of the rest of the United States;

(2) to establish a formal framework for joint Federal-State collaboration in meeting and focusing national attention on the economic development needs of the region;

(3) to assist the region in obtaining the basic infrastructure, skills training, local leadership capacity, and opportunities for enterprise development that are essential for strong local economies;

(4) to foster coordination among all levels of government, the private sector, community organizations, and nonprofit groups in crafting common regional strategies that will lead to broader economic growth;

(5) to strengthen efforts that emphasize regional approaches to economic development and planning;

(6) to encourage the participation of interested citizens, public officials, groups, agencies, and others in developing and implementing local and regional plans for broad-based economic and community development; and

(7) to focus special attention on areas of the region that suffer from the greatest economic distress.

**SEC. 3. DELTA REGIONAL AUTHORITY.**

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:

**"Subtitle F—Delta Regional Authority**

**"SEC. 382A. DEFINITIONS.**

"In this subtitle:

"(1) AUTHORITY.—The term 'Authority' means the Delta Regional Authority established by section 382B.

"(2) REGION.—The term 'region' means areas in the States of Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee, as defined under section 4 of the Lower Mississippi Delta Development Act (Public Law 100-460; 42 U.S.C. 3121 note).

"(3) FEDERAL GRANT PROGRAM.—The term 'Federal grant program' means a Federal grant program to provide assistance in—

"(A) acquiring or developing land;

"(B) constructing or equipping a facility; or

"(C) carrying out other community or economic development or economic adjustment activities.

**"SEC. 382B. DELTA REGIONAL AUTHORITY.**

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—There is established the Delta Regional Authority.

"(2) COMPOSITION.—The Authority shall be composed of—

"(A) a Federal member, to be appointed by the President, with the advice and consent of the Senate; and

"(B) the Governor (or a designee of the Governor) of each State in the region that elects to participate in the Authority.

"(3) COCHAIRPERSONS.—The Authority shall be headed by 2 cochairpersons, which shall be—

"(A) the Federal member, who shall serve—

"(i) as the Federal cochairperson; and

"(ii) as a liaison between the Federal Government and the Authority; and

"(B) a State cochairperson, who—

"(i) shall be a Governor of a participating State in the region; and

"(ii) shall be elected by the State members for a term of not less than 1 year.

"(b) ALTERNATE MEMBERS.—

"(1) STATE ALTERNATES.—Each State member may have a single alternate, appointed by the Governor from among the members of the cabinet or the personal staff of the Governor.

"(2) ALTERNATE FEDERAL COCHAIRPERSON.—The President shall appoint an alternate Federal cochairperson.

"(3) QUORUM.—A State alternate shall not be counted toward the establishment of a quorum of the Authority in any instance in which a quorum of the State members is required to be present.

"(4) DELEGATION OF POWER.—No power or responsibility of the Authority specified in paragraphs (2) and (3) of subsection (b), and no voting right of any Authority member, shall be delegated to any person—

"(A) who is not a Authority member; or

"(B) who is not entitled to vote in Authority meetings.

"(C) VOTING.—

"(1) IN GENERAL.—Except as provided in section 382I(d), decisions by the Authority

shall require the affirmative vote of the Federal cochairperson and of a majority of the State members (not including a member representing a State that is delinquent under subsection (g)(2)(C)).

“(2) QUORUM.—A quorum of State members shall be required to be present for the Authority to make any policy decision, including—

“(A) a modification or revision of a Authority policy decision;

“(B) approval of a State or regional development plan; and

“(C) any allocation of funds among the States.

“(3) PROJECT AND GRANT PROPOSALS.—The approval of project and grant proposals shall be—

“(A) a responsibility of the Authority; and

“(B) conducted in accordance with section 3821.

“(4) VOTING BY ALTERNATE MEMBERS.—An alternate member shall vote in the case of the absence, death, disability, removal, or resignation of the State or Federal representative for which the alternate member is an alternate.

“(d) DUTIES.—The Authority shall—

“(1) develop, on a continuing basis, comprehensive and coordinated plans and programs to establish priorities and approve grants for the economic development of the region, giving due consideration to other Federal, State, and local planning and development activities in the region;

“(2) not later than 220 days after the date of enactment of this subtitle, establish priorities in a development plan for the region (including 5-year regional outcome targets);

“(3) provide for an understanding of the needs and assets of the region through research, demonstration, investigation, assessment, and evaluation of the region, in cooperation with Federal, State, and local agencies, universities, local development districts, and other nonprofit groups, as appropriate;

“(4) review and study, in cooperation with the appropriate agencies, Federal, State, and local public and private programs in the region;

“(5) recommend any modification or addition to a program described in paragraph (4) that could increase the effectiveness of the program;

“(6) formulate and recommend interstate compacts and other forms of interstate cooperation;

“(7) work with State and local agencies in developing appropriate model legislation;

“(8) encourage the formation of, build the capacity of, and provide support for, local development districts in the region;

“(9) encourage private investment in industrial, commercial, and other economic development projects in the region;

“(10) serve as a focal point and coordinating unit for region programs;

“(11) provide a forum for consideration of problems of the region and proposed solutions for those problems; and

“(12) establish and involve citizens, special advisory councils, and public conferences to consider and resolve issues concerning the region.

“(e) INFORMATION.—In carrying out the duties of the Authority under subsection (d), the Authority may—

“(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute the proceedings and reports on actions by the Authority as the Authority considers appropriate;

“(2) authorize, through the Federal or State cochairperson, or any other member of the Authority designated by the Authority, the administration of oaths if the Authority

determines that testimony shall be taken or evidence shall be received under oath; and

“(3) arrange for the head of any Federal, State, or local department or agency to furnish to the Authority such information as may be available to or procurable by the department or agency;

“(4) adopt, amend, and repeal bylaws and rules governing the conduct of Authority business and the performance of Authority functions;

“(5) request the head of any Federal department or agency to detail to the Authority such personnel as the Authority requires to carry out functions of the Authority, each such detail to be without loss of seniority, pay, or other employee status;

“(6) request the head of any State department or agency or local government to detail to the Authority such personnel as the Authority requires to carry out functions of the Authority, each such detail to be without loss of seniority, pay, or other employee status;

“(7) provide for coverage of Authority employees in a suitable retirement and employee benefit system by—

“(A) making arrangements or entering into contracts with any participating State government; or

“(B) otherwise providing retirement and other employee benefit coverage;

“(8) accept, use, and dispose of gifts or donations of services or real, personal, tangible, or intangible property;

“(9) enter into and perform such contracts, leases, cooperative agreements, or other transactions as are necessary to carry out Authority duties, including any contracts, leases, cooperative agreements, or any other arrangement with—

“(A) any department, agency, or instrumentality of the United States;

“(B) any State (including a political subdivision, agency, or instrumentality of the State); or

“(C) any person, firm, association, or corporation;

“(10) establish and maintain a central office and field offices at such locations as the Authority may select; and

“(11) take such other actions and incur such other expenses as are necessary or appropriate.

“(f) FEDERAL AGENCY COOPERATION.—Federal agencies shall—

“(1) cooperate with the Authority; and

“(2) provide such assistance in carrying out this subtitle as the Federal cochairperson may request.

“(g) ADMINISTRATIVE EXPENSES.—

“(1) IN GENERAL.—Administrative expenses of the Authority shall be paid—

“(A) by the Federal Government, during the period beginning on the date of enactment of this subtitle and ending on September 30, 2000; and

“(B) after September 30, 2000 (except for the expenses of the Federal cochairperson, including expenses of the alternate and staff of the Federal cochairperson, which shall be paid solely by the Federal Government)—

“(i) by the Federal Government, in an amount equal to 50 percent of the administrative expenses; and

“(ii) by the States in the region represented on the Authority, in an amount equal to 50 percent of the administrative expenses.

“(2) STATE SHARE.—

“(A) IN GENERAL.—The share of administrative expenses of the Authority to be paid by each State shall be determined by the Authority.

“(B) NO FEDERAL PARTICIPATION.—The Federal cochairperson shall not participate or vote in any decision under subparagraph (A) to determine the share of administrative ex-

penses of the Authority to be paid by a State.

“(C) DELINQUENT STATES.—If a State is delinquent in payment of the State's share of administrative expenses of the Authority under this subsection—

“(i) no assistance under this subtitle shall be furnished to the State (including assistance to a political subdivision or a resident of the State); and

“(ii) no member of the Authority from the State shall participate or vote in any action by the Authority.

“(h) COMPENSATION.—

“(1) FEDERAL COCHAIRPERSON.—The Federal cochairperson shall be compensated by the Federal Government at level III of the Executive Schedule in subchapter II of chapter 53 of title V, United States Code.

“(2) ALTERNATE FEDERAL COCHAIRPERSON.—The alternate Federal cochairperson—

“(A) shall be compensated by the Federal Government at level V of the Executive Schedule described in paragraph (1); and

“(B) when not actively serving as an alternate for the Federal cochairperson, shall perform such functions and duties as are delegated by the Federal cochairperson.

“(3) STATE MEMBERS AND ALTERNATES.—

“(A) IN GENERAL.—A State shall compensate each member and alternate representing the State on the Authority at the rate established by law of the State.

“(B) NO ADDITIONAL COMPENSATION.—No State member or alternate member shall receive any salary, or any contribution to or supplementation of salary from any source other than the State for services provided by the member or alternate to the Authority.

“(4) DETAILED EMPLOYEES.—

“(A) IN GENERAL.—No person detailed to serve the Authority under subsection (e)(6) shall receive any salary or any contribution to or supplementation of salary for services provided to the Authority from—

“(i) any source other than the State, local, or intergovernmental department or agency from which the person was detailed; or

“(ii) the Authority.

“(B) VIOLATION.—Any person that violates this paragraph shall be fined not more than \$5,000, imprisoned not more than 1 year, or both.

“(C) APPLICABLE LAW.—The Federal cochairperson, the alternate Federal cochairperson, and any Federal officer or employee detailed to duty on the Authority under subsection (e)(5) shall not be subject to subparagraph (A), but shall remain subject to sections 202 through 209 of title 18, United States Code.

“(5) ADDITIONAL PERSONNEL.—

“(A) COMPENSATION.—

“(i) IN GENERAL.—The Authority may appoint and fix the compensation of an executive director and such other personnel as are necessary to enable the Authority to carry out the duties of the Authority.

“(ii) EXCEPTION.—Compensation described under clause (i) shall not exceed the maximum rate for the Senior Executive Service under section 5382 of title 5, United States Code, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(C) of that title.

“(B) EXECUTIVE DIRECTOR.—The executive director shall be responsible for—

“(i) the carrying out of the administrative functions of the Authority;

“(ii) direction of the Authority staff; and

“(iii) such other duties as the Authority may assign.

“(C) NO FEDERAL EMPLOYEE STATUS.—No member, alternate, officer, or employee of the Authority (except the Federal cochairperson of the Authority, the alternate and staff for the Federal cochairperson, and any Federal employee detailed to the Authority

under subsection (e)(5)) shall be considered to be a Federal employee for any purpose.

“(i) CONFLICTS OF INTEREST.—

“(1) IN GENERAL.—Except as provided under paragraph (2), no State member, alternate, officer, or employee of the Authority shall participate personally and substantially as a member, alternate, officer, or employee of the Authority, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other matter in which, to knowledge of the member, alternate, officer, or employee—

“(A) the member, alternate, officer, or employee;

“(B) the spouse, minor child, partner, or organization (other than a State or political subdivision thereof) of the member, alternate, officer, or employee, in which the member, alternate, officer, or employee is serving as officer, director, trustee, partner, or employee; or

“(C) any person or organization with whom the member, alternate, officer, or employee is negotiating or has any arrangement concerning prospective employment;

has a financial interest.

“(2) DISCLOSURE.—Paragraph (1) shall not apply if the State member, alternate, officer, or employee—

“(A) immediately advises the Authority of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter presenting a conflict of interest;

“(B) makes full disclosure of the financial interest; and

“(C) before the proceeding concerning the matter presenting the conflict of interest, receives a written determination by the Authority that the interest is not so substantial as to be likely to affect the integrity of the services that the Authority may expect from the State member, alternate, officer, or employee.

“(3) VIOLATION.—Any person that violates this subsection shall be fined not more than \$10,000, imprisoned not more than 2 years, or both.

“(j) VALIDITY OF CONTRACTS, LOANS, AND GRANTS.—The Authority may declare void any contract, loan, or grant of or by the Authority in relation to which the Authority determines that there has been a violation of any provision under subsection (h)(4), subsection (i), or sections 202 through 209 of title 18, United States Code.

**“SEC. 382C. ECONOMIC AND COMMUNITY DEVELOPMENT GRANTS.**

“(a) IN GENERAL.—The Authority may approve grants to States and public and nonprofit entities for projects, approved in accordance with section 382I—

“(1) to assist the region in obtaining the job training and employment-related education, leadership, business, and civic development (with an emphasis on entrepreneurship), that are needed to build and maintain strong local economies;

“(2) to provide assistance to severely distressed and underdeveloped counties that lack financial resources for improving basic services;

“(3) to fund—

“(A) research, demonstrations, evaluations, and assessments of the region; and

“(B) training programs, and construction of necessary facilities, and the provision of technical assistance necessary to complete activities described in subparagraph (A); or

“(4) to otherwise achieve the objectives of this subtitle.

“(b) FUNDING.—

“(1) IN GENERAL.—Funds for grants under subsection (a) may be provided—

“(A) entirely from appropriations to carry out this section;

“(B) in combination with funds available under another Federal or Federal grant program; or

“(C) from any other source.

“(2) PRIORITY OF FUNDING.—To best build the foundations for long-term, self-sustaining economies and to complement other Federal and State resources in the region, Federal funds available under this subtitle shall be focused on the activities in the following order or priority:

“(A) Basic infrastructure in distressed counties.

“(B) Job-related infrastructure.

“(C) Job training or employment-related education.

“(D) Leadership and civic development.

“(E) Business development, with emphasis on entrepreneurship.

“(3) FEDERAL SHARE IN GRANT PROGRAMS.—Notwithstanding any provision of law limiting the Federal share in any grant program, funds appropriated to carry out this section may be used to increase a Federal share in a grant program, as the Authority determines to be appropriate.

**“SEC. 382D. SUPPLEMENTS TO FEDERAL GRANT PROGRAMS.**

“(a) FINDING.—Congress finds that certain people, States, and local communities of the region, including local development districts, are unable to take maximum advantage of Federal grant programs for which the people are eligible because—

“(1) they lack the economic resources to supply the required matching share; or

“(2) there are insufficient funds available under the applicable Federal grant law authorizing the program to meet pressing needs of the region.

“(b) FEDERAL GRANT PROGRAM FUNDING.—In accordance with subsection (c), the Federal cochairperson may use amounts made available to carry out this subtitle, without regard to any limitations on areas eligible for assistance or authorizations for appropriation under any other Act to fund all or any portion of the basic Federal contribution to a project or activity under a Federal grant program in an amount that is above the fixed maximum portion of the cost of the project otherwise authorized by the applicable law, not to exceed 80 percent of the costs of the project except as provided in section 382F(b).

“(c) CERTIFICATION.—

“(1) IN GENERAL.—In the case of any program or project for which all or any portion of the basic Federal contribution to the project under a Federal grant program is proposed to be made under this section, no Federal contribution shall be made until the Federal official administering the Federal law authorizing the contribution certifies that the program or project—

“(A) meets the applicable requirements of the applicable Federal grant law; and

“(B) could be approved for Federal contribution under the law if funds were available under the law for the program or project.

“(2) CERTIFICATION BY AUTHORITY.—

“(A) IN GENERAL.—The certifications and determinations required to be made by the Authority for approval of projects under this subtitle in accordance with section 382I—

“(i) shall be controlling; and

“(ii) shall be accepted by the Federal agencies.

“(B) ACCEPTANCE BY FEDERAL COCHAIRPERSON.—Any finding, report, certification, or documentation required to be submitted to the head of the department, agency, or instrumentality of the Federal Government re-

sponsible for the administration of any Federal grant program shall be accepted by the Federal cochairperson with respect to a supplemental grant for any project under the program.

**“SEC. 382E. LOCAL DEVELOPMENT DISTRICTS; CERTIFICATION AND ADMINISTRATIVE EXPENSES.**

“(a) DEFINITION OF LOCAL DEVELOPMENT DISTRICT.—In this section, the term “local development district” means an entity that is—

“(1) organized and operated in a manner that ensures broad-based community participation and an effective opportunity for other nonprofit and citizen groups to contribute to the development and implementation of programs in the region;

“(2) certified to the Authority as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within in the region—

“(A) by the Governor of each State in which the entity is located; or

“(B) by the State officer designated by the appropriate State law to make the certification; and

“(3) is—

“(A) a nonprofit incorporated body organized or chartered under the law of the State in which the entity is located;

“(B) a nonprofit agency or instrumentality of a State or local government;

“(C) a nonprofit agency or instrumentality created through an interstate compact; or

“(D) a nonprofit association or combination of bodies, agencies, and instrumentalities described in subparagraphs (A) through (C).

“(b) GRANTS TO LOCAL DEVELOPMENT DISTRICTS.—

“(1) IN GENERAL.—The Authority may make grants for administrative expenses of local development districts.

“(2) CONDITIONS FOR GRANTS.—

“(A) MAXIMUM AMOUNT.—The amount of any grant awarded under paragraph (1) shall not exceed 80 percent of the administrative expenses of the local development district receiving the grant.

“(B) MAXIMUM PERIOD.—No grant described in paragraph (1) shall be awarded to a State agency certified as a local development district for a period greater than 3 years.

“(C) LOCAL SHARE.—The contributions of a local development district for administrative expenses may be in cash or in kind, fairly evaluated, including space, equipment, and services.

“(D) DUTIES OF LOCAL DEVELOPMENT DISTRICTS.—Local development districts—

“(1) shall operate as lead organizations serving multicounty areas in the region at the local level; and

“(2) shall serve as a liaison between State and local governments, nonprofit organizations (including community-based groups and educational institutions), the business community, and citizens that—

“(A) are involved in multijurisdictional planning;

“(B) provide technical assistance to local jurisdictions and potential grantees; and

“(C) provide leadership and civic development assistance.

**“SEC. 382F. DISTRESSED COUNTIES AND ECONOMICALLY STRONG COUNTIES.**

“(a) DESIGNATIONS.—Not later than 90 days after the date of enactment of this subtitle, and annually thereafter, the Authority, in accordance with such criteria as the Authority may establish, shall designate—

“(1) as distressed counties, counties in the region that are the most severely and persistently distressed and underdeveloped;

“(2) as economically strong counties, counties in the region that are approaching or

have reached economic parity with the rest of the United States; and

“(3) as isolated areas of distress, areas located in an economically strong county that have high rates of poverty or unemployment.

“(b) DISTRESSED COUNTIES.—

“(1) IN GENERAL.—The Authority shall allocate at least 50 percent of the appropriations made available under section 382N for programs and projects designed to serve the needs of distressed counties in the region.

“(2) FUNDING LIMITATIONS.—The funding limitations under section 382D(b) shall not apply to projects providing basic services to residents in 1 or more distressed counties in the region.

“(c) ECONOMICALLY STRONG COUNTIES.—

“(1) IN GENERAL.—Except as provided in this subsection, no funds shall be provided under this subtitle for a project located in a county designated as an economically strong county under subsection (a).

“(2) EXCEPTIONS.—

“(A) IN GENERAL.—The funding prohibition under paragraph (1) shall not apply to grants to fund the administrative expenses of local development districts under section 382E(b).

“(B) MULTICOUNTY PROJECTS.—The Authority may approve additional exceptions to the funding prohibition under paragraph (1) for—

“(i) multicounty projects that include participation by an economically strong county; and

“(ii) any other type of project, if the Authority determines that the project could bring significant benefits to areas of the region outside an economically strong county.

“(C) ISOLATED AREAS OF DISTRESS.—

“(i) IN GENERAL.—An isolated area of distress shall be eligible for assistance at the discretion of the Authority.

“(ii) DETERMINATION.—A determination of eligibility of an isolated area of distress for assistance shall be supported—

“(I) by the most recent Federal data available; or

“(II) if no recent Federal data are available, by the most recent data available through the government of the State in which the isolated area of distress is located.

**SEC. 382G. DEVELOPMENT PLANNING PROCESS.**

“(a) STATE DEVELOPMENT PLAN.—In accordance with policies established by the Authority, each State member shall submit on such schedule as the Authority shall prescribe a development plan for the area of the region represented by the State member.

“(b) CONTENT OF PLAN.—A State development plan submitted under subsection (a) shall—

“(1) reflect the goals, objectives, and priorities identified in the regional development plan under section 382B(d);

“(2) describe—

“(A) the organization and continuous process for development planning of the State, including the procedures established by the State for the participation of local development districts in the development planning process;

“(B) the means by which the development planning process of the State is related to overall State-wide planning and budgeting processes; and

“(C) the method of coordinating planning and projects in the region under this subtitle and other Federal, State, and local programs;

“(3)(A) identify the goals, objectives, priorities, and expected outcomes of the State for the region, as determined by the Governor;

“(B) identify the needs on which those goals, objectives, priorities are based; and

“(C) describe the development strategy for achieving and the expected outcomes of those goals, objectives, and priorities; and

“(4) describe how strategies proposed in the plan would advance the objectives of this subtitle.

“(c) CONSULTATION WITH INTERESTED LOCAL PARTIES.—In carrying out the development planning process (including the selection of programs and projects for assistance), a State shall—

“(1) consult with—

“(A) local development districts;

“(B) local units of government; and

“(C) citizen groups; and

“(2) take into consideration the goals, objectives, priorities, and recommendations of the entities identified in paragraph (1).

“(d) PUBLIC PARTICIPATION.—

“(1) IN GENERAL.—The Authority and applicable State and local development districts shall encourage and assist, to the maximum extent practicable, public participation in the development, revision, and implementation of all plans and programs under this subtitle.

“(2) REGULATIONS.—The Authority shall develop guidelines specifying minimum goals for public participation described in paragraph (1), including public hearings.

**SEC. 382H. PROGRAM DEVELOPMENT CRITERIA.**

“(a) IN GENERAL.—In considering programs and projects to be provided assistance under this subtitle, and in establishing a priority ranking of the requests for assistance presented to the Authority, the Authority shall follow procedures that ensure, to the maximum extent practicable, consideration of—

“(1) the relationship of the project or class of projects to overall regional development;

“(2) the per capita income and poverty and unemployment rates in the area;

“(3) the financial resources available to the applicants for assistance seeking to carry out the project;

“(4) the importance of the project or class of projects in relation to other projects or classes of projects that may be in competition for the same funds;

“(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic and social development of the area served by the project; and

“(6) the extent to which the project design provides for detailed outcome measurements by which grant expenditures and the results of the expenditures may be evaluated.

“(b) NO RELOCATION ASSISTANCE.—No financial assistance authorized by this subtitle shall be used to assist a person or entity in relocating from 1 area to another.

“(c) REDUCTION OF FUNDS.—Funds may be provided for a program or project in a State under this subtitle only if the Authority determines that the level of Federal or State financial assistance provided under a law other than this subtitle, for the same type of program or project in the same area of the State within the region, will not be reduced so as to substitute funds authorized by this subtitle.

**SEC. 382I. APPROVAL OF DEVELOPMENT PLANS AND PROJECTS.**

“(a) IN GENERAL.—A State or regional development plan or any multistate sub-regional plan that is proposed for development under this subtitle shall be reviewed for approval by the Authority in accordance with section 382B(e)(3).

“(b) EVALUATION BY STATE MEMBER.—An application for a grant or any other assistance for a project under this subtitle shall be made through and evaluated for approval by the State member of the Authority representing the applicant.

“(c) CERTIFICATION.—An application for a grant or other assistance for a project shall

be approved only on certification by the State member and the Federal cochairperson that the application—

“(1) reflects an intent that the project comply with any applicable State development plan;

“(2) meets applicable criteria under section 382H;

“(3) provides adequate assurance that the proposed project will be properly administered, operated, and maintained; and

“(4) otherwise meets the requirements of this subtitle.

“(d) VOTES FOR DECISIONS.—The certification by a State member of an application for a grant or other assistance for a specific project under this section shall, when joined by an affirmative vote of the Federal cochairperson for the application, be considered to satisfy the requirements for affirmative votes for decisions under section 382B.

**SEC. 382J. CONSENT OF STATES.**

Nothing in this subtitle requires any State to engage in or accept any program under this subtitle without the consent of the State.

**SEC. 382K. RECORDS.**

“(a) RECORDS OF THE AUTHORITY.—

“(1) IN GENERAL.—The Authority shall maintain accurate and complete records of all transactions and activities of the Authority financed with Federal funds.

“(2) AVAILABILITY.—All records of the Authority shall be available for audit and examination by the Comptroller General of the United States (including authorized representatives of the Comptroller General).

“(b) RECORDS OF RECIPIENTS OF FEDERAL ASSISTANCE.—

“(1) IN GENERAL.—Recipients of Federal assistance under this subtitle shall, as required by the Authority, maintain accurate and complete records of transactions and activities financed with Federal funds and report on the transactions and activities to the Authority.

“(2) AVAILABILITY.—All records described in paragraph (1) shall be available for audit by the Comptroller General of the United States and the Authority or their duly authorized representatives.

**SEC. 382L. ANNUAL REPORT.**

“Not later than 180 days after the end of each fiscal year, the Authority shall submit to the President and to Congress a report describing the activities carried out under this subtitle.

**SEC. 382M. AUTHORIZATION OF APPROPRIATIONS.**

“(a) IN GENERAL.—There is authorized to be appropriated to the Authority to carry out this subtitle \$30,000,000 for each of fiscal years 2001 through 2005, to remain available until expended.

“(b) ADMINISTRATIVE EXPENSES.—Not more than 5 percent of the amount appropriated under subsection (a) shall be used for administrative expenses.”

**ADDITIONAL COSPONSORS**

S. 391

At the request of Mr. KERREY, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 391, a bill to provide for payments to children’s hospitals that operate graduate medical education programs.

S. 407

At the request of Mr. LAUTENBERG, the name of the Senator from Florida (Mr. GRAHAM) was added as a cosponsor of S. 407, a bill to reduce gun trafficking by prohibiting bulk purchases of handguns.