By Mr. KYL (for himself, Mr. ABRAHAM, Mr. ALLARD, Mr. ASHCROFT, Mr. BROWNBACK, Mr. COVERDELL, Mr. CRAPO, Mr. FRIST, Mr. GRAMM, Mr. GRAMS, Mr. HAGEL, Mr. HELMS, Mrs. HUTCHISON, Mr. INHOFE, Mr. MACK, Mr. MCCONNELL, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH of New Hampshire, and Mr. THOMPSON):

S.J. Res. 2. A joint resolution proposing an amendment to the Constitution of the United States to require two-thirds majorities for increasing taxes; to the Committee on the Judiciary.

By Mr. KYL (for himself, Mrs. FEINSTEIN, Mr. BIDEN, Mr. GRASSLEY, Mr. INOUYE, Mr. DEWINE, Ms. LANDRIEU, Ms. SNOWE, Mr. LIEBERMAN, Mr. MACK, Mr. CLELAND, Mr. COVERDELL, Mr. SMITH of New Hampshire, Mr. SHELBY, Mr. HUTCHINSON, Mr. HELMS, Mr. FRIST, Mr. GRAMM, Mr. LOTT, and Mrs. HUTCHISON):

S.J. Res. 3. A joint resolution proposing an amendment to the Constitution of the United States to protect the rights of crime victims; to the Committee on the Judiciary.

By Mr. KYL:

S.J. Res. 4. A joint resolution proposing an amendment to the Constitution of the United States to provide that expenditures for a fiscal year shall exceed neither revenues for such fiscal year nor 19 per centum of the Nation's gross domestic product for the calendar year ending before the beginning of such fiscal year; to the Committee on the Judiciary.

By Mr. GRAMM (for himself and Mr. GORTON):

S.J. Res. 5. A joint resolution to provide for a Balanced Budget Constitutional Amendment that prohibits the use of Social Security surpluses to achieve compliance; to the Committee on the Judiciary.

By Mr. HOLLINGS (for himself, Mr. SPECTER, Mr. MCCAIN, and Mr. BRYAN):

S.J. Res. 6. A joint resolution proposing an amendment to the Constitution of the United States relating to contributions and expenditures intended to affect elections; to the Committee on the Judiciary.

By Mr. HATCH (for himself, Mr. THURMOND, Mr. CRAIG, and Mr. ASHCROFT):

S.J. Res. 7. A joint resolution proposing an amendment to the Constitution of the United States to require a balanced budget; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. SPECTER (for himself and Mr. HARKIN):

S. Res. 19. A resolution to express the sense of the Senate that the Federal investment in biomedical research should be increased by $2,000,000 in fiscal year 2000; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977 with instructions, that if one Committee reports, the other Committee have thirty days to report or be discharged.

By Mr. JEFFORDS (for himself and Mr. KENNEDY):

S. Res. 20. A resolution to rename the Committee on Labor and Human Resources the Committee on Health, Education, Labor, and Pensions; considered and agreed to.

By Mr. FRIST (for himself and Mr. THOMPSON):

S. Res. 21. A resolution congratulating the University of Tennessee Volunteers football team on winning the 1998 National Collegiate Athletic Association Division I-A football championship; considered and agreed to.

By Mr. CAMPBELL (for himself, Mr. ABRAHAM, Mr. AKAKA, Mr. ALLARD, Mr. BIDEN, Mr. BINGAMAN, Mr. BROWNBACK, Mr. BRYAN, Mr. BURNS, Mr. CLELAND, Mr. COVERDELL, Mr. CRAIG, Mr. CRAPO, Mr. DASCHLE, Mr. DEWINE, Mr. DODD, Mr. DOMENICI, Mr. DORGAN, Mr. DURBIN, Mr. ENZI, Mrs. FEINSTEIN, Mr. FITZGERALD, Mr. FRIST, Mr. GORTON, Mr. GRAMM, Mr. GRAMS, Mr. HAGEL, Mr. HATCH, Mr. HELMS, Mr. HOLLINGS, Mrs. HUTCHISON, Mr. INHOFE, Mr. INOUYE, Mr. JEFFORDS, Mr. KENNEDY, Mr. KERREY, Mr. LEAHY, Mr. LIEBERMAN, Mr. LOTT, Mr. LUGAR, Mr. MACK, Mr. MCCAIN, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. MURKOWSKI, Mrs. MURRAY, Mr. REID, Mr. ROBB, Mr. ROCKEFELLER, Mr. ROTH, Mr. SARBANES, Mr. SCHUMER, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH of New Hampshire, Mr. SPECTER, Mr. STEVENS, Mr. THURMOND, Mr. TORRICELLI, Mr. WARNER, and Mr. WELLSTONE):

S. Res. 22. A resolution commemorating and acknowledging the dedication and sacrifice made by the men and women who have lost their lives serving as law enforcement officers; to the Committee on the Judiciary.

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

S. Res. 23. A resolution congratulating Michael Jordan on the announcement of his retirement from the Chicago Bulls and the National Basketball Association.

By Mr. LUGAR:

S. Res. 24. Senate resolution expressing the sense of the Senate that the income tax should be eliminated and replaced with a national sales tax; to the Committee on Finance.

By Mr. MCCAIN (for himself and Mr. KYL):

S. Res. 25. A bill to reform the budget processs by making the process fairer, more efficient, and more open; to the Committee on Rules and Administration.

By Mr. MOYNIHAN:

S. Con. Res. 1. A concurrent resolution expressing congressional support for the International Labor Organization's Declararion on Fundamental Principles and Rights at Work; to the Committee on Health, Education, Labor, and Pensions.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JEFFORDS (for himself, Mr. GREGG, Mr. LOTT, Mr. MCCAIN, Mr. MACK, and Mr. COVERDELL):

S. 2. A bill to extend programs and activities under the Elementary and Secondary Education Act of 1965; to the Committee on Health, Education, Labor, and Pensions.

EDUCATIONAL OPPORTUNITIES ACT

Mr. JEFFORDS. Mr. President, I am pleased to join the distinguished Majority Leader in introducing the ''Educational Opportunities Act.'' This legislation extends programs authorized under the Elementary and Secondary Education Act (ESEA) and will serve as the foundation for our efforts this Congress to expand and strengthen those programs.

The 106th Congress will see the close of the 20th century and the birth of the new millennium. At such a time, one quite naturally begins to imagine the advances and challenges—the promises and perils—which lie ahead. As a nation, we have viewed the future with optimism. We know the march of civilization may at times be uphill, but we see it as nevertheless moving upward. We know as well that the success of our efforts will not rely upon luck, but upon hard work and thoughtful planning.

It comes as little surprise, therefore, that at this time in history our thoughts turn to education. From the kitchen table to the board room to the halls of Congress, education heads the agenda. That is as it should be, as we rediscover the truth in Aristotle's observation that ''all who have meditated on the art of governing mankind have been convinced that the fate of empires depends on the education of youth.''

Reauthorization of federal elementary and secondary education programs offers this Congress an opportunity to make a lasting mark on the programs and policies which will define the role of the United States in the coming century. Our international competitors have long observed and admired our system of education. Unfortunately, in all too many cases, the pupils have surpassed the teacher. We lag behind many of our competitors. We must pick up the pace, and we must do so without delay.

The renewed emphasis on education has stimulated thinking and has produced a wealth of ideas regarding the paths we should follow. As chairman of the Senate committee charged with pulling these ideas into a sound and coherent package, I am looking forward to a Congress which is both challenging and productive.

It is my hope that the Educational Opportunities Act will build upon the education successes of the 105th Congress. We enacted nearly a dozen important initiatives which touched the lives of students of all ages—from youngsters in Head Start and Even Start, to special education students, to high school vocational students, to college undergraduates and graduate students, to adults in need of remedial education.

These successes were possible because of a willingness to work together towards common objectives. In the United States Congress, we begin with 535 individual road maps marking a course to our destination. Arriving there will require the good faith give-and-take which has characterized our finest moments as a democracy.

The legislation which Senator LOTT and I are introducing today does not fill in all the blanks regarding federal elementary and secondary education policy. What it does do is set the cornerstone for a final product in which I believe each and every member of Congress will take pride.

The findings and purposes contained in this legislation are intended to underscore the basic building blocks of

success; parental involvement, qualified teachers, a safe learning environment, and a focus on high achievement by all students.

Everyone has a role to play in assuring our students acquire the knowledge and skills they need to make the United States number one in the world.

Parents are the first and most consistent educators in a child's life. Reading to young children and emphasizing the importance of education instils a love of learning which lasts a lifetime.

The teacher in the classroom is at the core of educational improvement. Without a strong, competent, well prepared teaching force, other investments in education will be of little value. It has been 15 years since the national crisis in education was raised by the ''A Nation At Risk'' report. The admonition was given in these terse words: If a foreign government has imposed on us our educational system we would have declared it an act of war.

Yet little has changed. There is some improvement in science but little in math. Children are coming to school slightly more prepared to learn, but this is primarily in the area of health.

It is obvious that nothing is going to change unless it changes in the classroom. And nothing will change in the classroom until the teachers change. And the teachers can't be expected to change until they have help in knowing what is expected of them.

The Higher Education Amendments enacted into law last October took significant steps towards demanding excellence from our teacher preparation program. With the Educational Opportunities Act, we now have the opportunity to focus on those already in the teaching force.

State and local officials are also important players. Not only do they provide the bulk of financial support for elementary and secondary education in the country, they are also undertaking significant initiatives to determine what children should know and to assess whether they have mastered that material.

The federal government, since the Elementary and Secondary Education Act was initiated in 1965, has offered support for these efforts—as well as providing critical additional resources to offer extra help to educationally disadvantaged students. In addition, the federal government makes a significant investment in research. A key challenge for us will be determining how the federal investments can be most effectively targeted. The research we support must not only be sound but must also be useful and readily available to states and localities.

Ultimately, the focus of all of our efforts must be on the student in the classroom. The training of teachers, the establishment of expectations, and the development of assessments are all pieces of the puzzle which take shape in the classroom itself. If we keep that objective foremost in mind, we will build the educational system we need and that our children deserve.

By Mr. GRAMS (for himself, Mr. ROTH, Mr. ABRAHAM, Mr. ASHCROFT, Mr. LOTT, Mr. MCCAIN, Mr. COVERDELL, and Mrs. HUTCHISON):

S. 3. A bill to amend the Internal Revenue Code of 1986 to reduce individual income tax rates by 10 percent; to the Committee on Finance.

TAX CUTS FOR ALL AMERICANS ACT

Mr. GRAMS. Mr. President, I rise today to introduce S. 3, the Tax Cuts for All Americans Act, along with Senator ROTH, Chairman of the Senate Finance Committee.

First, I'd like to commend the Senate Majority Leader for including this important legislation as one of the Republicans' top 5 agenda items and Finance Committee Chairman ROTH for making this a committee priority. This emphasizes the importance and commitment by Republicans to provide meaningful tax relief for working Americans.

Mr. President, American families are taxed at the highest levels in our history, even higher than during World War II, with nearly 40 percent of a typical family's budget going to pay taxes on the federal, state and local levels.

Today, the Clinton Administration consumes over 20.5 percent of America's entire gross domestic product. That's the highest level since 1945 when taxes were raised to pay for the war.

The average American family today spends more on taxes than it does on food, clothing, and housing combined. If the ''hidden taxes'' that result from the high cost of government regulations are factored in, a family today gives up more than 50 percent of its annual income to the government.

At a time when the combination of federal income and payroll taxes, state and local taxes, and hidden taxes consumes over half of a working family's budget, the taxpayers are in desperate need of relief.

Americans today are working harder but taking home less. Over $1.8 trillion of their income will be siphoned off to the federal government this year. It is more critical than ever to provide meaningful tax relief for working Americans.

Freedom for families means giving families the freedom to spend more of their own dollars as they choose. This tax relief would give Americans more freedom and create more economic opportunities for them and their children.

That's why I am introducing this legislation today. Tax relief should benefit all Americans, not just those who have been targeted in the past. My bill, S. 3, will do just that.

My bill will cut the personal tax rate for each American by 10 percent. It will increase incentives to work, save and invest. It will improve the standards of living for all Americans and permit the growth in our economy we expect to continue and it will encourage Americans to work harder and produce more.

By enacting the 10 percent across-the-board tax cut, we can begin turning back the decades of abuse taxpayers have suffered at the hands of their own government, a government too often eager to spend the taxpayers' money to expand its reach over more of our economy and personal lives.

It was John F. Kennedy who observed that ''an economy hampered with high tax rates will never produce enough revenue to balance the budget just as it will never produce enough output and enough jobs.''

Twenty-seven years ago, President Reagan enacted a 25 percent across-the-board tax cut and in 1986, President Reagan signed a landmark piece of legislation to reduce the marginal tax rate to a simple two-rate income tax system: 15 percent and 28 percent.

What resulted was nothing short of an economic miracle. Our nation experienced the longest peacetime economic expansion in American history, the benefits of which we are still enjoying today. Ronald Reagan fought for tax cuts, not to bribe special interest groups to buy their votes—but because individuals have a right to spend their own money.

President Reagan was right. When we enact the 10 percent across-the-board tax cut, we will make our economy more dynamic, and our families more prosperous as we approach the 21st century.

While I prefer a total overhaul of the tax system and will shortly introduce a bill to repeal the current system with a consumption tax, this is a much-needed first step we should all agree is our first priority for this Congress.

Mr. ABRAHAM. Mr. President, I rise to join my colleagues Senators GRAMS and ROTH in introducing S. 3, the Tax Cut for All Americans Act. This legislation will provide every American taxpayer with substantial tax relief by cutting all income tax rates 10 percent across the board, effective January first of this year.

American working families need this tax cut, Mr. President. They are now taxed at a higher rate than at any time since World War II. Not even at the height of the Vietnam War have the American people seen such a large part of their pay taken away from them in the form of taxes.

Since the current Administration came into office in 1993, federal taxes have gone up by over 35 percent, or over $600 billion. The nonpartisan Tax Foundation recently told us what these sky-high taxes mean to the typical American family. First, they mean that the typical family now pays more in total taxes than it spends on food, clothing and shelter combined—spending more than 38 percent on taxes and only 28 percent on food, clothing and housing.

Second, the typical American now works nearly three hours out of an eight hour day just to pay taxes. That American works from January 1 to May 10, the latest day ever, before he or she stops working for the government and starts working for him or herself.

Washington currently takes 21 percent of the national income in taxes. That's $6,810 for every man, woman and child in this country.

Mr. President, that is simply too much. Our high taxes place an undue burden on working families. They stifle entrepreneurial activity. They promise to put an end to our current era of sustained economic growth.

But hard times born of high taxes are not inevitable. We can lighten the tax burden on our working families. We can encourage entrepreneurial activity and economic growth. We can cut taxes and thereby ensure prosperity well into the next century.

Mr. President, when President Clinton passed the largest tax hike in American history, he did so on the grounds that budget deficits demanded increased federal revenue. There was indeed increased federal revenue after that tax hike. But it was fueled by a surprisingly strong economy, born of technological innovation and low inflation, factors strong enough to offset the dampening effects of higher taxes. Moreover, the excuse of budget deficits is no longer tenable.

We have entered an era of budget surplus. And it is our moral duty as well as our fiscal responsibility to lower taxes on those hard working Americans who pulled us out of the era of budget deficits.

What is more, by taking a small portion of our projected surplus and giving it back to the American people, we will ensure prosperity, economic growth, and healthy receipts for years to come.

Mr. President, this across the board tax cut will leave the current tax structure's progressivity intact. It also leaves current deductions and credits intact. It is not intended as a final solution to all of the problems in our tax system. This tax cut is intended as a well-deserved down payment on the money Washington owes to the American people—the money earned by the American people that should stay with the American people, to save, invest and spend as they see fit.

America's working families deserve a break. They also need it if they are to save and invest for their future and for the future of the American economy. It is time to give them that hard-earned tax break by cutting rates across the board by 10 percent. I urge my colleagues to support this important legislation in the name of fairness and economic responsibility.

By Mr. WARNER (for himself, Mr. THURMOND, Mr. MCCAIN, Mr. SMITH of New Hampshire, Mr. INHOFE, Ms. SNOWE, Mr. ROBERTS, Mr. ALLARD, Mr. HUTCHINSON, Mr. SESSIONS, Mr. LOTT, Mr. MACK, Mr. COVERDELL, Mrs. HUTCHISON, Mr. SANTORUM, Mr. HAGEL, and Mr. ABRAHAM):

S. 4. A bill to improve pay and retirement equity for members of the Armed Forces; and for other purposes; to the Committee on Armed Services.

THE SOLDIERS', SAILORS', AIRMEN'S, AND MARINES' BILL OF RIGHTS ACT OF 1999

Mr. WARNER. Mr. President, today Senator LOTT, the Majority Leader, introduced S–4, The Soldiers', Sailors', Airmen's and Marines' Bill of Rights Act of 1999. This bill is an integral part of the National Security element of the Republican agenda that the Leader announced this morning.

Last fall, Senator LOTT, in an excellent exchange of letters with the President and Republican Chairmen, identified key problems with military pay levels and the military pay system. Following this exchange of letters, the Armed Services Committee held hearings on September 29, 1998 and again on January 5, 1999 in which General Shelton and the Service Chiefs described the many problems the military services were experiencing because of many years of shortfalls in funding. Particular emphasis was put on readiness, the retention of highly trained people and the inability to achieve recruiting goals.

The testimony of the Joint Chiefs was courageous. They spoke very candidly of the problems borne by the men and women in the military and how increased defense funding was needed in order to begin to alleviate these problems.

General Shelton and the Service Chiefs urged the President and the Congress to support a military pay raise that would begin to address inequities between military pay and civilian wages, and to resolve the inequity of the ''Redux'' retirement system.

Senators LOTT, MCCAIN, and ROBERTS took an initiative and showed leadership in developing this legislation. These Senators worked within the Armed Services Committee to craft a bill that would address the problems identified by the Joint Chiefs in a comprehensive and responsible manner.

The bill will provide military personnel a four-point-eight percent pay raise on January 1, 2000 and will require that future military pay raises be based on the annual Employment Cost Index plus one-half a percent. The bill restructures the military pay tables to recognize the value of promotions and to weight the pay raise toward mid-career NCOs and officers where retention is most critical. The Joint Chiefs testified that there is a pay gap between military and private sector wages of 14 percent. This bill moves aggressively to close this gap and ensure military personnel are compensated in an equitable manner.

The bill provides military personnel who entered the service after July 31, 1986 the option to revert to the previous military retirement system that provided a 50 percent multiplier to their base pay averaged over their highest three years and includes full cost-of-living adjustments; or, to accept a $30,000 bonus and remain under the ''Redux'' retirement system. The Joint Chiefs testified that the ''Redux'' retirement system is responsible for an increasing number of mid-career military personnel deciding to leave the service. S–4 will offer these highly trained personnel an attractive option to incentivize them to continue to serve a full career.

We will establish a Thrift Savings Plan that will allow service members to save up to five percent of their base pay, before taxes, and will permit them to directly deposit their enlistment and re-enlistment bonuses into their Thrift Savings Plan. In a separate section, the bill authorizes Service Secretaries to offer to match the Thrift Savings Plan contributions of those service members serving in critical specialities for a period of six years in return for a six year service commitment. This is a powerful tool to assist the services in retaining key personnel in the most critical specialities.

Senator MCCAIN was the key proponent of an initiative in the bill that would authorize a Special Subsistence Allowance to assist the most needy junior military personnel who are eligible for food stamps. The allowance would provide these families an additional $180 per month and will reduce the number of military families on the food stamp rolls.

As I and other Members of the Senate, have visited military bases here in the United States, in Bosnia and in other deployment areas, we have found that our young service men and women are doing a tremendous job, in many cases, under adverse conditions. In order to demonstrate to these highly trained and dedicated military personnel that we appreciate their sacrifices and contributions, we must move quickly to pass this legislation. Such action will permit military personnel and their families to make the decision to continue to serve and will assist the military services in recruiting the high quality force we have worked so hard to achieve.

I am proud to be a co-sponsor of this important legislation and will do my upmost to ensure its quick passage.

Mr. MCCAIN. Mr. President, I rise today with my Republican colleagues to introduce legislation, S. 4, to provide increased pay and retirement benefits to members of the U.S. Armed Forces and their families. As one who has long warned that declining defense budgets and increasing commitments were propelling our military towards the infamous ''hollow force'' of the 1970s, I decided last October 7th to join with my friend, Senator PAT ROBERTS, to craft legislation, S. 2563, that would restore military retirement benefits to a full 50 percent of base pay for 20-year retirees in order to encourage highly trained, experienced military personnel to remain in the service. Unfortunately, because of time constraints, Congress did not act on the bill last year.

Since then I have worked closely with Senator ROBERTS and the Republican Leader, Senator LOTT, to draft legislation that address the readiness concerns of the Joint Chiefs of Staff and the Secretary of Defense. This bill is a significant step toward addressing the pressing readiness problems afflicting our Armed Forces. The Joint Chiefs of Staff have repeatedly stated the current retirement and pay gap is their highest priority for solving the retention problem undermining the preparedness of our men and women in uniform.

Specifically, this legislation which is sponsored by Majority Leader LOTT, Senator ROBERTS, myself the distinguished Chairman of the Armed Services Committee and the other committee Republicans, includes a 4.8% pay raise, effective January 1, 2000, pay table reform, restored military retirement benefits to the pre-1986 level of 50 percent, Thrift Savings Plan proposals, and a Special Subsistence Allowance to help the neediest families in the Armed Forces, many of whom now require federal food stamp assistance.

Mr. President, the Republican Leader has agreed to make this legislation a priority for the 106th Congress and we fully expect to pass this legislative proposal by Memorial Day. If Congress approves this bill by the end of May, then 3,000 military families will be paid enough to get them off food stamps at the beginning of next year. It is unconscionable that the men and women who are willing to sacrifice their lives for their country have to rely on food stamps to make ends meet. The Pentagon estimates that approximately 11,900 military households currently receive food stamps. This bill will help nearly 10,000 of these military families get off of food stamps over the next 5 years by ensuring their income is sufficient to provide for their spouses and children.

Mr. President, it is critical that we address the concerns of the senior military leadership who have cited better military pay and retirement benefits as their highest priority. We failed to do so last year. We must move this bill through Congress quickly this year to slow the exodus of our pilots, military policemen, Naval special operations personnel, surface warfare officers and other critical military specialties that have caused the deterioration in our Armed Forces readiness that we have heard detailed in testimony over the last four months.

By Mr. DEWINE (for himself, Mr. ABRAHAM, Mr. ASHCROFT, Mr. GRASSLEY, Mr. HATCH, Mr. LOTT, Mr. COVERDELL, and Mr. MCCAIN):

S. 5. A bill to reduce the transportation and distribution of illegal drugs and to strengthen domestic demand reduction, and for other purposes; to the Committee on the Judiciary.

DRUG FREE CENTURY ACT

Mr. DEWINE. Mr. President, it is an honor for me, today, to be introducing the Drug Free Century Act. This bill is cosponsored by Senator ABRAHAM, Senator ASHCROFT, Senator COVERDELL, Senator CRAIG, the chairman of the Judiciary Committee, Senator HATCH, and the chairman of the Caucus on International Narcotics Control, Senator GRASSLEY. This legislation is truly a team effort. There are over a dozen Members of the Senate who have worked very extensively on this bill and I appreciate very much their work. This is really a team effort. This bill is a comprehensive approach to our antidrug effort, and it really is a continuation of the great work that was begun by Congress last year.

This legislation represents the continuation of those efforts that we began last year, a continuation of the efforts to reverse the dangerous trend of rising drug use in our country, particularly among our young people. According to data prepared as part of the Monitoring the Future Program funded by the National Institute on Drug Abuse, from 1992 to 1997 we saw an 80-percent increase in cocaine use among high school seniors, and a 100-percent increase in heroin use among high school seniors.

Other very serious trends related to drug use highlight the problems that have increased over the course of the last decade. Drug abuse related arrests for minors doubled between 1992 and 1996. Emergency room admissions related to heroin jumped 58 percent between 1992 and 1995. And, in the first half of 1995, methamphetamine related emergency room admissions were 321 percent higher compared to the first half of 1991.

This increase in drug use and criminal activity virtually wiped out the gains made in the previous decade. Just in the 4 years prior to 1992, the Office of National Drug Control Policy—the drug czar's office—reported a 25-percent reduction in overall drug use by adolescent Americans, and a 35-percent reduction in overall drug use.

Last year, Congressman BILL MCCOLLUM and I and other Members of the Senate and House took a close look at why our increasing investment in antidrug programs was not resulting in a decline in drug use among young people. One immediate problem that we found was a clear decline in resources and manpower devoted to reducing illegal drug imports by our Customs Service, the Coast Guard, and the Defense Department. In other words, our drug interdiction effort had been falling farther and farther behind. It had become less and less a percentage, a smaller percentage of our budget year after year.

As we all know, reducing drug use is a team effort at all levels of government: the Federal Government, the State government, the local government. However, international drug reduction, seizing or disrupting the flow of drugs before these drugs reach our country, is solely our responsibility. It is solely the Federal Government's responsibility. Over a 5-year period beginning in 1993, the Federal Government solely abdicated this responsibility. Fewer and fewer resources and man-hours were devoted to stopping drugs at the source or stopping them in transit. As a result, the volume of drugs coming into our country has never been higher, making illegal drugs too easy to find and too easy to buy.

To reverse this trend and to correct the imbalance, Congressman MCCOLLUM and I last year led a bipartisan, bicameral effort to pass the Western Hemisphere Drug Elimination Act. We passed it and the President signed it. We were joined in this initiative by Congressman and now Speaker DENNY HASTERT, by Senator COVERDELL, Senator GRAHAM of Florida, and many, many others. This new law provides a 3-year, $2.6 billion investment in our drug-fighting capabilities abroad. Through crop eradication and drug interdiction we will reduce the amount of drugs entering our country and, in turn, increase the price of drugs on the streets of America.

An even larger goal of this new law is to restore a balanced antidrug strategy, one that makes a clear commitment to all the elements of our strategy—treatment, education, domestic law enforcement, and drug interdiction. A balanced drug control strategy worked before, and we are ready to make it work again.

The Western Hemisphere Drug Elimination Act that we passed last year was one of several key initiatives passed by the Republican Congress. There is no doubt we are determined to turn the corner on drug use. Congressman ROB PORTMAN of Cincinnati, Senator CHUCK GRASSLEY, myself, and others worked to pass the Drug Free Communities Act, which directs Federal funds to community coalitions that educate children about the dangers of drugs. The 105th Congress also passed the Drug Demand Reduction Act, which will streamline existing Federal education and treatment programs and make these programs more accountable. We also passed the Drug Free Workplace Act, which provides grants to assist nonprofit organizations in promoting drug-free workplaces, and encourages States to adopt cost-effective financial incentives, such as a reduction in worker's compensation premiums for drug-free workplaces.

Today, with the Drug Free Century Act that we are introducing, we will continue to make oversight and reform of our antidrug policies a top priority of this Congress. This bill is the beginning of a critical and comprehensive examination of our entire antidrug strategy. While we devoted most of last year to correcting the resource imbalances that we found in this strategy, we intend to devote the next 2 years to looking at the effectiveness of the very programs themselves. We also need to change current laws to crack down on the elements within the illegal drug industry.

The Drug Free Century Act is the first phase of this effort. It addresses all elements of our antidrug strategy, and it is a comprehensive strategy that we are presenting today—education, treatment, law enforcement, and drug interdiction.

It is my hope that as we examine our drug strategy through meetings and hearings, we will build on the foundation of the legislation that we are introducing this morning.

First, the Drug Free Century Act contains much-needed reforms in our international criminal laws. It would improve extradition procedures for those who flee justice for drug crimes by prohibiting fugitives from benefiting from fugitive status. It would crack down on illegal money-transmitting businesses. It would punish money launderers who conduct their business through foreign banks. And it would enable greater global cooperation in the fight against international crime.

Mr. President, these provisions, advocated by the chairman of our caucus on international narcotics control, Senator GRASSLEY, are designed to disrupt and dismantle the drug lords' criminal infrastructure. And like the Western Hemisphere Drug Elimination Act we passed in the last Congress, these provisions would make the drug business far more costly and far more dangerous.

Our legislation also authorizes additional funding for our eradication and interdiction operations and calls on the administration to meet the funding goals we set last year in the Western Hemisphere Drug Elimination Act. The new interdiction initiatives outlined in this bill are designed to supplement last year's legislation and came about as a direct result of my visits and the visits of other Members of the Senate and the House to the transit zones in the Caribbean, as well as the source countries—Peru and Colombia. These visits reconfirmed, in my mind, what statistics had already told us: Seizing or destroying a ton of cocaine outside our borders is more cost effective than seizing the same quantity at the point of sale. It just makes good common sense.

Our legislation also addresses domestic reduction efforts. It would increase penalties for certain drug offenses committed in the presence of a child. It would call on the Drug Enforcement Administration to develop a plan for the safe and speedy cleanup of methamphetamine laboratories in the United States. I know this latter issue is of great concern to my colleague from Missouri, Senator ASHCROFT, who was successful last year in increasing penalties for those involved in meth labs here in the United States.

Mr. President, the bill also includes Senator ABRAHAM's legislation to increase mandatory minimum sentencing requirements for powder cocaine offenses.

Our bill sets a foundation for what I hope will be a comprehensive initiative to reduce the demand for drugs, especially among our young people. The bill includes Senator COVERDELL's initiative to protect children and teachers from drug-related school violence and Senator GRASSLEY's legislation to strengthen the parent and family movement to teach children and society about the dangers of drugs.

This bill, frankly, is a first step. I expect we will see other important antidrug bills that we would want to roll into this larger comprehensive bill, and we will do that as the time comes. For example, I am working on legislation to clarify that juvenile facilities should be eligible for jail-based and aftercare drug treatment programs and provide coordinated services for early mental health and substance abuse screening for juveniles. The latter initiative is based on an effort underway in Hamilton County, OH, an initiative and effort I have personally looked at on a number of occasions. In Hamilton County, OH, the courts are working with all the relevant county agencies to offer a coordinated service delivery system for at-risk youth. By bringing these resources together, Mr. President, we can ensure that young people in need of help will get the right kind of assistance.

I believe in a balanced counterdrug strategy. I made it clear in the past Congress that I strongly support our continued commitment in demand reduction and law enforcement programs. We need to invest in all these elements to have success, and that is why we are today introducing this bill—to demonstrate that we intend to find ways to improve all elements of our comprehensive antidrug strategy.

Combined with the efforts begun last year, the Drug Free Century Act represents a turning point in a decade of increased youth delinquency and drug use. With this legislation, we are sending a clear signal that we intend to change course and begin the next decade and, yes, the next century, on the road to eliminating the scourge of illegal drugs in this country.

Mr. President, I ask unanimous consent that the text of the Drug Free Century Act be printed in the RECORD.

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

S. 5

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Drug-Free Century Act''.

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

Sec. 1. Short title; table of contents.

TITLE I—INTERNATIONAL SUPPLY REDUCTION

Subtitle A—International Crime

CHAPTER 1—INTERNATIONAL CRIME CONTROL

Sec. 1001. Short title.
Sec. 1002. Felony punishment for violence committed along the United States border.

CHAPTER 2—STRENGTHENING MARITIME LAW ENFORCEMENT ALONG UNITED STATES BORDERS

Sec. 1003. Sanctions for failure to heave to, obstructing a lawful boarding, and providing false information.
Sec. 1004. Civil penalties to support maritime law enforcement.
Sec. 1005. Customs orders.

CHAPTER 3—SMUGGLING OF CONTRABAND AND OTHER ILLEGAL PRODUCTS

Sec. 1006. Smuggling contraband and other goods from the United States.
Sec. 1007. Customs duties.
Sec. 1008. False certifications relating to exports.

CHAPTER 4—DENYING SAFE HAVENS TO INTERNATIONAL CRIMINALS

Sec. 1009. Extradition for offenses not covered by a list treaty.
Sec. 1010. Extradition absent a treaty.
Sec. 1011. Technical and conforming amendments.
Sec. 1012. Temporary transfer of persons in custody for prosecution.
Sec. 1013. Prohibiting fugitives from benefiting from fugitive status.
Sec. 1014. Transfer of foreign prisoners to serve sentences in country of origin.
Sec. 1015. Transit of fugitives for prosecution in foreign countries.

CHAPTER 5—SEIZING AND FORFEITING ASSETS OF INTERNATIONAL CRIMINALS

Sec. 1016. Criminal penalties for violations of anti-money laundering orders.
Sec. 1017. Cracking down on illegal money transmitting businesses.
Sec. 1018. Expanding civil money laundering laws to reach foreign persons.
Sec. 1019. Punishment of money laundering through foreign banks.
Sec. 1020. Authority to order convicted criminals to return property located abroad.
Sec. 1021. Administrative summons authority under the Bank Secrecy Act.
Sec. 1022. Exempting financial enforcement data from unnecessary disclosure.
Sec. 1023. Criminal and civil penalties under the International Emergency Economic Powers Act.
Sec. 1024. Attempted violations of the Trading With the Enemy Act.
Sec. 1025. Jurisdiction over certain financial crimes committed abroad.

CHAPTER 6—PROMOTING GLOBAL COOPERATION IN THE FIGHT AGAINST INTERNATIONAL CRIME

Sec. 1026. Streamlined procedures for execution of MLAT requests.
Sec. 1027. Temporary transfer of incarcerated witnesses.
Sec. 1028. Training of foreign law enforcement agencies.
Sec. 1029. Discretionary authority to use forfeiture proceeds.

Subtitle B—International Drug Control

Sec. 1201. Annual country plans for drug-transit and drug producing countries.
Sec. 1202. Prohibition on use of funds for counternarcotics activities and assistance.
Sec. 1203. Sense of Congress regarding Colombia.
Sec. 1204. Sense of Congress regarding Mexico.
Sec. 1205. Sense of Congress regarding Iran.
Sec. 1206. Sense of Congress regarding Syria.
Sec. 1207. Brazil.
Sec. 1208. Jamaica.

Sec. 1209. Sense of Congress regarding North Korea.
Subtitle C—Foreign Military Counter-Drug Support
Sec. 1301. Report.
Subtitle D—Money Laundering Deterrence
Sec. 1401. Short title.
Sec. 1402. Findings and purposes.
Sec. 1403. Reporting of suspicious activities.
Sec. 1404. Expansion of scope of summons power.
Sec. 1405. Penalties for violations of geographic targeting orders and certain recordkeeping requirements.
Sec. 1406. Repeal of certain reporting requirements.
Sec. 1407. Limited exemption from Paperwork Reduction Act.
Sec. 1408. Sense of Congress.
Subtitle E—Additional Funding For Source and Interdiction Zone Countries
Sec. 1501. Source zone countries.
Sec. 1502. Central America.
TITLE II—DOMESTIC LAW ENFORCEMENT
Subtitle A—Criminal Offenders
Sec. 2001. Apprehension and procedural treatment of armed violent criminals.
Sec. 2002. Criminal attempt.
Sec. 2003. Drug offenses committed in the presence of children.
Sec. 2004. Sense of Congress on border defense.
Sec. 2005. Clone pagers.
Subtitle B—Methamphetamine Laboratory Cleanup
Sec. 2101. Sense of Congress regarding methamphetamine laboratory cleanup.
Subtitle C—Powder Cocaine Mandatory Minimum Sentencing
Sec. 2201. Sentencing for violations involving cocaine powder.
Subtitle D—Drug-Free Borders
Sec. 2301. Increased penalty for false statement offense.
Sec. 2302. Increased number of border patrol agents.
Sec. 2303. Enhanced border patrol pursuit policy.
TITLE III—DOMESTIC DEMAND REDUCTION
Subtitle A—Education, Prevention, and Treatment
Sec. 3001. Sense of Congress on reauthorization of Safe and Drug-Free Schools and Communities Act of 1994.
Sec. 3002. Sense of Congress regarding reauthorization of prevention and treatment programs.
Sec. 3003. Report on drug-testing technologies.
Sec. 3004. Use of National Institutes of Health substance abuse research.
Sec. 3005. Needle exchange.
Sec. 3006. Drug-free teen drivers incentive.
Sec. 3007. Drug-free schools.
Sec. 3008. Victim and witness assistance programs for teachers and students.
Sec. 3009. Innovative programs to protect teachers and students.
Subtitle B—Drug-Free Families
Sec. 3101. Short title.
Sec. 3102. Findings.
Sec. 3103. Purposes.
Sec. 3104. Definitions.
Sec. 3105. Establishment of drug-free families support program.
Sec. 3106. Authorization of appropriations.
TITLE IV—FUNDING FOR UNITED STATES COUNTER-DRUG ENFORCEMENT AGENCIES
Sec. 4001. Authorization of appropriations.
Sec. 4002. Cargo inspection and narcotics detection equipment.
Sec. 4003. Peak hours and investigative resource enhancement.
Sec. 4004. Air and marine operation and maintenance funding.
Sec. 4005. Compliance with performance plan requirements.
Sec. 4006. Commissioner of Customs salary.
Sec. 4007. Passenger preclearance services.
Subtitle B—United States Coast Guard
Sec. 4101. Additional funding for operation and maintenance.
Subtitle C—Drug Enforcement Administration
Sec. 4201. Additional funding for counternarcotics and information support operations.
Subtitle D—Department of the Treasury
Sec. 4301. Additional funding for counterdrug information support.
Subtitle E—Department of Defense
Sec. 4401. Additional funding for expansion of counternarcotics activities.
Sec. 4402. Forward military base for counternarcotics matters.
Sec. 4403. Expansion of radar coverage and operation in source and transit countries.
Sec. 4404. Sense of Congress regarding funding under Western Hemisphere Drug Elimination Act.
Sec. 4405. Sense of Congress regarding the priority of the drug interdiction and counterdrug activities of the Department of Defense.

TITLE I—INTERNATIONAL SUPPLY REDUCTION

Subtitle A—International Crime

CHAPTER 1—INTERNATIONAL CRIME CONTROL

SEC. 1001. SHORT TITLE.

This chapter may be cited as the ''International Crime Control Act of 1999''.

SEC. 1002. FELONY PUNISHMENT FOR VIOLENCE COMMITTED ALONG THE UNITED STATES BORDER.

(a) IN GENERAL.—Chapter 27 of title 18, United States Code, is amended by adding at the end the following:

''§ 554. Violence while eluding inspection or during violation of arrival, reporting, entry, or clearance requirements

''(a) IN GENERAL.—Whoever attempts to commit or commits a crime of violence or recklessly operates any conveyance during and in relation to—

''(1)(A) attempting to elude or eluding immigration, customs, or agriculture inspection; or

''(B) failing to stop at the command of an officer or employee of the United States charged with enforcing the immigration, customs, or other laws of the United States along any border of the United States; or

''(2) an intentional violation of arrival, reporting, entry, or clearance requirements, as set forth in section 107 of the Federal Plant Pest Act (7 U.S.C. 150ff), section 10 of the Act of August 20, 1912 (commonly known as the 'Plant Quarantine Act' (7 U.S.C. 164a)), section 7 of the Federal Noxious Weed Act of 1974 (7 U.S.C. 2807), section 431, 433, 434, or 459 of the Tariff Act of 1930 (19 U.S.C. 1431, 1433, 1434, and 1459), section 10 of the Act of August 30, 1890 (26 Stat. 417; chapter 839 (21 U.S.C. 105), section 2 of the Act of February 2, 1903 (32 Stat. 792; chapter 349; 21 U.S.C. 111), section 4197 of the Revised Statutes (46 U.S.C. App. 91), or sections 231, 232, and 234 through 238 of the Immigration and Nationality Act (8 U.S.C. 1221, 1222, and 1224 through 1228) shall be—

''(A) fined under this title, imprisoned not more than 5 years, or both;

''(B) if bodily injury (as defined in section 1365(g)) results, fined under this title, imprisoned not more than 10 years, or both; or

''(C) if death results, fined under this title, imprisoned for any term of years or for life, or both, and may be sentenced to death.

''(b) CONSPIRACY.—If 2 or more persons conspire to commit an offense under subsection (a), and 1 or more of those persons do any act to effect the object of the conspiracy, each shall be punishable as a principal, except that a sentence of death may not be imposed.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 27 of title 18, United States Code, is amended by adding at the end the following:

''554. Violence while eluding inspection or during violation of arrival, reporting, entry, or clearance requirements.''.

(c) RECKLESS ENDANGERMENT.—Section 111 of title 18, United States Code, is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following:

''(b) RECKLESS ENDANGERMENT.—Whoever—

''(1) knowingly disregards or disobeys the lawful authority or command of any officer or employee of the United States charged with enforcing the immigration, customs, or other laws of the United States along any border of the United States while engaged in, or on account of, the performance of official duties of that officer or employee; and

''(2) as a result of disregarding or disobeying an authority or command referred to in paragraph (1), endangers the safety of any person or property,

shall be fined under this title, imprisoned not more than 6 months, or both.''.

CHAPTER 2—STRENGTHENING MARITIME LAW ENFORCEMENT ALONG UNITED STATES BORDERS

SEC. 1003. SANCTIONS FOR FAILURE TO HEAVE TO, OBSTRUCTING A LAWFUL BOARDING, AND PROVIDING FALSE INFORMATION.

(a) IN GENERAL.—Chapter 109 of title 18, United States Code, is amended by adding at the end the following:

''§ 2237. Sanctions for failure to heave to; sanctions for obstruction of boarding or providing false information

''(a) DEFINITIONS.—In this section:

''(1) FEDERAL LAW ENFORCEMENT OFFICER.—The term 'Federal law enforcement officer' has the meaning given that term in section 115(c).

''(2) HEAVE TO.—The term 'heave to' means, with respect to a vessel, to cause that vessel to slow or come to a stop to facilitate a law enforcement boarding by adjusting the course and speed of the vessel to account for the weather conditions and the sea state.

''(3) VESSEL OF THE UNITED STATES; VESSEL SUBJECT TO THE JURISDICTION OF THE UNITED STATES.—The terms 'vessel of the United States' and 'vessel subject to the jurisdiction of the United States' have the meanings given those terms in section 3 of the Maritime Drug Law Enforcement Act (46 U.S.C. App. 1903).

''(b) FAILURE TO OBEY AN ORDER TO HEAVE TO.—

''(1) IN GENERAL.—It shall be unlawful for the master, operator, or person in charge of a vessel of the United States or a vessel subject to the jurisdiction of the United States, to fail to obey an order to heave to that vessel on being ordered to do so by an authorized Federal law enforcement officer.

''(2) IMPEDING BOARDING; PROVIDING FALSE INFORMATION IN CONNECTION WITH A BOARDING.—It shall be unlawful for any person on board a vessel of the United States or a vessel subject to the jurisdiction of the United States knowingly or willfully to—

''(A) fail to comply with an order of an authorized Federal law enforcement officer in connection with the boarding of the vessel;

''(B) impede or obstruct a boarding or arrest, or other law enforcement action authorized by any Federal law; or

''(C) provide false information to a Federal law enforcement officer during a boarding of a vessel regarding the destination, origin, ownership, registration, nationality, cargo, or crew of the vessel.

''(c) STATUTORY CONSTRUCTION.—Nothing in this section may be construed to limit the authority granted before the date of enactment of the International Crime Control Act of 1999 to—

''(1) a customs officer under section 581 of the Tariff Act of 1930 (19 U.S.C. 1581) or any other provision of law enforced or administered by the United States Customs Service; or

''(2) any Federal law enforcement officer under any Federal law to order a vessel to heave to.

''(d) CONSENT OR WAIVER OF OBJECTION BY A FOREIGN COUNTRY.—

''(1) IN GENERAL.—A foreign country may consent to or waive objection to the enforcement of United States law by the United States under this section by international agreement or, on a case-by-case basis, by radio, telephone, or similar oral or electronic means.

''(2) PROOF OF CONSENT OR WAIVER.—The Secretary of State or a designee of the Secretary of State may prove a consent or waiver described in paragraph (1) by certification.

''(e) PENALTIES.—Any person who intentionally violates any provision of this section shall be fined under this title, imprisoned not more than 5 years, or both.

''(f) SEIZURE OF VESSELS.—

''(1) IN GENERAL.—A vessel that is used in violation of this section may be seized and forfeited.

''(2) APPLICABILITY OF LAWS.—

''(A) IN GENERAL.—Subject to subparagraph (C), the laws described in subparagraph (B) shall apply to seizures and forfeitures undertaken, or alleged to have been undertaken, under any provision of this section.

''(B) LAWS DESCRIBED.—The laws described in this subparagraph are the laws relating to the seizure, summary, judicial forfeiture, and condemnation of property for violation of the customs laws, the disposition of the property or the proceeds from the sale thereof, the remission or mitigation of the forfeitures, and the compromise of claims.

''(C) EXECUTION OF DUTIES BY OFFICERS AND AGENTS.—Any duty that is imposed upon a customs officer or any other person with respect to the seizure and forfeiture of property under the customs laws shall be performed with respect to a seizure or forfeiture of property under this section by the officer, agent, or other person that is authorized or designated for that purpose.

''(3) IN REM LIABILITY.—A vessel that is used in violation of this section shall, in addition to any other liability prescribed under this subsection, be liable in rem for any fine or civil penalty imposed under this section.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 109 of title 18, United States Code, is amended by adding at the end the following:

''2237. Sanctions for failure to heave to; sanctions for obstruction of boarding or providing false information.''.

SEC. 1004. CIVIL PENALTIES TO SUPPORT MARITIME LAW ENFORCEMENT.

(a) IN GENERAL.—Chapter 17 of title 14, United States Code, is amended by adding at the end the following:

''§ 675. Civil penalty for failure to comply with a lawful boarding, obstruction of boarding, or providing false information

''(a) IN GENERAL.—Any person who violates section 2237(b) of title 18 shall be liable for a civil penalty of not more than $25,000.

''(b) IN REM LIABILITY.—In addition to being subject to the liability under subsection (a), a vessel used to violate an order relating to the boarding of a vessel issued under the authority of section 2237 of title 18 shall be liable in rem and may be seized, forfeited, and sold in accordance with section 594 of the Tariff Act of 1930 (19 U.S.C. 1594).''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 17 of title 14, United States Code, is amended by adding at the end the following:

''675. Civil penalty for failure to comply with a lawful boarding, obstruction of boarding, or providing false information.''.

SEC. 1005. CUSTOMS ORDERS.

Section 581 of the Tariff Act of 1930 (19 U.S.C. 1581) is amended by adding at the end the following:

''(i) AUTHORIZED PLACE DEFINED.—In this section, the term 'authorized place' includes, with respect to a vessel or vehicle, a location in a foreign country at which United States customs officers are permitted to conduct inspections, examinations, or searches.''.

CHAPTER 3—SMUGGLING OF CONTRABAND AND OTHER ILLEGAL PRODUCTS

SEC. 1006. SMUGGLING CONTRABAND AND OTHER GOODS FROM THE UNITED STATES.

(a) IN GENERAL.—

(1) SMUGGLING GOODS FROM THE UNITED STATES.—Chapter 27 of title 18, United States Code, as amended by section 1002(a) of this title, is amended by adding at the end the following:

''§ 555. Smuggling goods from the United States

''(a) UNITED STATES DEFINED.—In this section, the term 'United States' has the meaning given that term in section 545.

''(b) PENALTIES.—Whoever—

''(1) fraudulently or knowingly exports or sends from the United States, or attempts to export or send from the United States, any merchandise, article, or object contrary to any law of the United States (including any regulation of the United States); or

''(2) receives, conceals, buys, sells, or in any manner facilitates the transportation, concealment, or sale of that merchandise, article, or object, prior to exportation, knowing that merchandise, article, or object to be intended for exportation contrary to any law of the United States,

shall be fined under this title, imprisoned not more than 5 years, or both.''.

(2) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 27 of title 18, United States Code, is amended by adding at the end the following:

''555. Smuggling goods from the United States.''.

(b) LAUNDERING OF MONETARY INSTRUMENTS.—Section 1956(c)(7)(D) of title 18, United States Code, is amended by inserting ''section 555 (relating to smuggling goods from the United States),'' before ''section 641 (relating to public money, property, or records),''.

(c) MERCHANDISE EXPORTED FROM UNITED STATES.—Section 596 of the Tariff Act of 1930 (19 U.S.C. 1595a) is amended by adding at the end the following:

''(d) MERCHANDISE EXPORTED FROM THE UNITED STATES.—Merchandise exported or sent from the United States or attempted to be exported or sent from the United States contrary to law, or the value thereof, and property used to facilitate the receipt, purchase, transportation, concealment, or sale of that merchandise prior to exportation shall be forfeited to the United States.''.

SEC. 1007. CUSTOMS DUTIES.

(a) IN GENERAL.—Section 542 of title 18, United States Code, is amended—

(1) in the section heading, by adding ''**theft, embezzlement, or misapplication of duties**'' at the end;

(2) by redesignating the fourth and fifth undesignated paragraphs as subsections (b) and (c), respectively;

(3) in the third undesignated paragraph—

(A) by striking ''Shall be fined'' and inserting the following:

''shall be fined''; and

(B) by striking ''two years'' and inserting ''5 years'';

(4) in the second undesignated paragraph—

(A) by striking ''Whoever is guilty'' and inserting the following:

''(2) is guilty''; and

(B) by striking ''act or omission—'' and inserting ''act or omission; or'';

(5) in the first undesignated paragraph, by striking ''Whoever knowingly effects'' and inserting the following:

''(a) Whoever—

''(1) knowingly effects''; and

(6) in subsection (a) (as so designated by paragraph (5) of this subsection) by inserting after paragraph (2) (as so designated by paragraph (4) of this subsection) the following:

''(3) embezzles, steals, abstracts, purloins, willfully misapplies, willfully permits to be misapplied, or wrongfully converts to his own use, or to the use of another, moneys, funds, credits, assets, securities or other property entrusted to his or her custody or care, or to the custody or care of another for the purpose of paying any lawful duties;''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 27 of title 18, United States Code, is amended by striking the item relating to section 542 and inserting the following:

''542. Entry of goods by means of false statements, theft, embezzlement, or misapplication of duties.''.

SEC. 1008. FALSE CERTIFICATIONS RELATING TO EXPORTS.

(a) IN GENERAL.—Chapter 27 of title 18, United States Code, as amended by section 1006(a) of this title, is amended by adding at the end the following:

''§ 556. False certifications relating to exports

''Whoever knowingly transmits in interstate or foreign commerce any false or fraudulent certificate of origin, invoice, declaration, affidavit, letter, paper, or statement (whether written or otherwise), that represents explicitly or implicitly that goods, wares, or merchandise to be exported qualify for purposes of any international trade agreement to which the United States is a signatory shall be fined under this title, imprisoned not more than 5 years, or both.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 27 of title 18, United States Code, is amended by adding at the end the following:

''556. False certifications relating to exports.''.

CHAPTER 4—DENYING SAFE HAVENS TO INTERNATIONAL CRIMINALS

SEC. 1009. EXTRADITION FOR OFFENSES NOT COVERED BY A LIST TREATY.

Chapter 209 of title 18, United States Code, is amended by adding at the end the following:

"§ 3197. Extradition for offenses not covered by a list treaty

''(a) SERIOUS OFFENSE DEFINED.—In this section, the term 'serious offense' means conduct that would be—

''(1) an offense described in any multilateral treaty to which the United States is a party that obligates parties—

''(A) to extradite alleged offenders found in the territory of the parties; or

''(B) submit the case to the competent authorities of the parties for prosecution; or

''(2) conduct that, if that conduct occurred in the United States, would constitute—

''(A) a crime of violence (as defined in section 16);

''(B) the distribution, manufacture, importation or exportation of a controlled substance (as defined in section 201 of the Controlled Substances Act (21 U.S.C. 802));

''(C) bribery of a public official; misappropriation, embezzlement or theft of public funds by or for the benefit of a public official;

''(D) obstruction of justice, including payment of bribes to jurors or witnesses;

''(E) the laundering of monetary instruments, as described in section 1956, if the value of the monetary instruments involved exceeds $100,000;

''(F) fraud, theft, embezzlement, or commercial bribery if the aggregate value of property that is the object of all of the offenses related to the conduct exceeds $100,000;

''(G) counterfeiting, if the obligations, securities or other items counterfeited, have an apparent value that exceeds $100,000;

''(H) a conspiracy or attempt to commit any of the offenses described in any of subparagraphs (A) through (G), or aiding and abetting a person who commits any such offense; or

''(I) a crime against children under chapter 109A or section 2251, 2251A, 2252, or 2252A.

''(b) AUTHORIZATION OF FILING.—

''(1) IN GENERAL.—If a foreign government makes a request for the extradition of a person who is charged with or has been convicted of an offense within the jurisdiction of that foreign government, and an extradition treaty between the United States and the foreign government is in force, but the treaty does not provide for extradition for the offense with which the person has been charged or for which the person has been convicted, the Attorney General may authorize the filing of a complaint for extradition pursuant to subsections (c) and (d).

''(2) FILING OF COMPLAINTS.—

''(A) IN GENERAL.—A complaint authorized under paragraph (1) shall be filed pursuant to section 3184.

''(B) PROCEDURES.—With respect to a complaint filed under paragraph (1), the procedures contained in sections 3184 and 3186 and the terms of the relevant extradition treaty shall apply as if the offense were a crime provided for by the treaty, in a manner consistent with section 3184.

''(c) CRITERIA FOR AUTHORIZATION OF COMPLAINTS.—

''(1) IN GENERAL.—The Attorney General may authorize the filing of a complaint under subsection (b) only upon a certification—

''(A) by the Attorney General, that in the judgment of the Attorney General—

''(i) the offense for which extradition is sought is a serious offense; and

''(ii) submission of the extradition request would be important to the law enforcement interests of the United States or otherwise in the interests of justice; and

''(B) by the Secretary of State, that in the judgment of the Secretary of State, submission of the request would be consistent with the foreign policy interests of the United States.

''(2) FACTORS FOR CONSIDERATION.—In making any certification under paragraph (1)(B), the Secretary of State may consider whether the facts and circumstances of the request then known appear likely to present any significant impediment to the ultimate surrender of the person who is the subject of the request for extradition, if that person is found to be extraditable.

''(d) CASES OF URGENCY.—

''(1) IN GENERAL.—In any case of urgency, the Attorney General may, with the concurrence of the Secretary of State and before any formal certification under subsection (c), authorize the filing of a complaint seeking the provisional arrest and detention of the person sought for extradition before the receipt of documents or other proof in support of the request for extradition.

''(2) APPLICABILITY OF RELEVANT TREATY.—With respect to a case described in paragraph (1), a provision regarding provisional arrest in the relevant treaty shall apply.

''(3) FILING AND EFFECT OF FILING OF COMPLAINTS.—

''(A) IN GENERAL.—A complaint authorized under this subsection shall be filed in the same manner as provided in section 3184.

''(B) ISSUANCE OF ORDERS.—Upon the filing of a complaint under this subsection, the appropriate judicial officer may issue an order for the provisional arrest and detention of the person as provided in section 3184.

''(e) CONDITIONS OF SURRENDER; ASSURANCES.—

''(1) IN GENERAL.—Before issuing a warrant of surrender under section 3184 or 3186, the Secretary of State may—

''(A) impose conditions upon the surrender of the person that is the subject of the warrant; and

''(B) require those assurances of compliance with those conditions, as are determined by the Secretary to be appropriate.

''(2) ADDITIONAL ASSURANCES.—

''(A) IN GENERAL.—In addition to imposing conditions and requiring assurances under paragraph (1), the Secretary of State shall demand, as a condition of the extradition of the person in every case, an assurance described in subparagraph (B) that the Secretary determines to be satisfactory.

''(B) DESCRIPTION OF ASSURANCES.—An assurance described in this subparagraph is an assurance that the person that is sought for extradition shall not be tried or punished for an offense other than that for which the person has been extradited, absent the consent of the United States.''.

SEC. 1010. EXTRADITION ABSENT A TREATY.

Chapter 209 of title 18, United States Code, as amended by section 1009 of this title, is amended by adding at the end the following:

"§ 3198. Extradition absent a treaty

''(a) SERIOUS OFFENSE DEFINED.—In this section, the term 'serious offense' has the meaning given that term in section 3197(a).

''(b) AUTHORIZATION OF FILING.—

''(1) IN GENERAL.—If a foreign government makes a request for the extradition of a person who is charged with or has been convicted of an offense within the jurisdiction of that foreign government, and no extradition treaty is in force between the United States and the foreign government, the Attorney General may authorize the filing of a complaint for extradition pursuant to subsections (c) and (d).

''(2) FILING AND TREATMENT OF COMPLAINTS.—

''(A) IN GENERAL.—A complaint authorized under paragraph (1) shall be filed pursuant to section 3184.

''(B) PROCEDURES.—With respect to a complaint filed under paragraph (1), procedures of sections 3184 and 3186 shall be followed as if the offense were a 'crime provided for by such treaty' as described in section 3184.

''(c) CRITERIA FOR AUTHORIZATION OF COMPLAINTS.—The Attorney General may authorize the filing of a complaint described in subsection (b) only upon a certification—

''(1) by the Attorney General, that in the judgment of the Attorney General—

''(A) the offense for which extradition is sought is a serious offense; and

''(B) submission of the extradition request would be important to the law enforcement interests of the United States or otherwise in the interests of justice; and

''(2) by the Secretary of State, that in the judgment of the certifying official, based on information then known—

''(A) submission of the request would be consistent with the foreign policy interests of the United States;

''(B) the facts and circumstances of the request, including humanitarian considerations, do not appear likely to present a significant impediment to the ultimate surrender of the person if found extraditable; and

''(C) the foreign government submitting the request is not submitting the request in order to try or punish the person sought for extradition primarily on the basis of the race, religion, nationality, or political opinions of that person.

''(d) LIMITATIONS ON DELEGATION.—

''(1) DELEGATION BY ATTORNEY GENERAL.—The authorities and responsibilities of the Attorney General under subsection (c) may be delegated only to the Deputy Attorney General.

''(2) DELEGATION.—The authorities and responsibilities of the Secretary of State set forth in this subsection may be delegated only to the Deputy Secretary of State.

''(e) CASES OF URGENCY.—

''(1) IN GENERAL.—In any case of urgency, the Attorney General may, with the concurrence of the Secretary of State and before any formal certification under subsection (c), authorize the filing of a complaint seeking the provisional arrest and detention of the person sought for extradition before the receipt of documents or other proof in support of the request for extradition.

''(2) FILING OF COMPLAINTS; ORDER BY JUDICIAL OFFICER.—

''(A) FILING.—A complaint filed under this subsection shall be filed in the same manner as provided in section 3184.

''(B) ORDERS.—Upon the filing of a complaint under subparagraph (A), the appropriate judicial officer may issue an order for the provisional arrest and detention of the person.

''(C) RELEASES.—If, not later than 45 days after the arrest, the formal request for extradition and documents in support of that are not received by the Department of State, the appropriate judicial officer may order that a person detained pursuant to this subsection be released from custody.

''(f) HEARINGS.—

''(1) IN GENERAL.—Subject to subsection (h), upon the filing of a complaint for extradition and receipt of documents or other proof in support of the request of a foreign government for extradition, the appropriate judicial officer shall hold a hearing to determine whether the person sought for extradition is extraditable.

''(2) CRITERIA FOR EXTRADITION.—Subject to subsection (g) in a hearing conducted under paragraph (1), the judicial officer shall find a person extraditable if the officer finds—

''(A) probable cause to believe that the person before the judicial officer is the person sought in the foreign country of the requesting foreign government;

''(B) probable cause to believe that the person before the judicial officer committed the

offense for which that person is sought, or was duly convicted of that offense in the foreign country of the requesting foreign government;

''(C) that the conduct upon which the request for extradition is based, if that conduct occurred within the United States, would be a serious offense punishable by imprisonment for more than 10 years under the laws of—

''(i) the United States;

''(ii) the majority of the States in the United States; or

''(iii) of the State in which the fugitive is found; and

''(D) no defense to extradition under subsection (f) has been established.

''(g) LIMITATION OF EXTRADITION.—

''(1) IN GENERAL.—A judicial officer shall not find a person extraditable under this section if the person has established that the offense for which extradition is sought is—

''(A) an offense for which the person is being proceeded against, or has been tried or punished, in the United States; or

''(B) a political offense.

''(2) POLITICAL OFFENSES.—For purposes of this section, a political offense does not include—

''(A) a murder or other violent crime against the person of a head of state of a foreign state, or of a member of the family of the head of state;

''(B) an offense for which both the United States and the requesting foreign government have the obligation pursuant to a multilateral international agreement to—

''(i) extradite the person sought; or

''(ii) submit the case to the competent authorities for decision as to prosecution; or

''(C) a conspiracy or attempt to commit any of the offenses referred to in subparagraph (A) or (B), or aiding or abetting a person who commits or attempts to commit any such offenses.

''(h) LIMITATIONS ON FACTORS FOR CONSIDERATION AT HEARINGS.—

''(1) IN GENERAL.—At a hearing conducted under subsection (a), the judicial officer conducting the hearing shall not consider issues regarding—

''(A) humanitarian concerns;

''(B) the nature of the judicial system of the requesting foreign government; and

''(C) whether the foreign government is seeking extradition of a person for the purpose of prosecuting or punishing the person because of the race, religion, nationality or political opinions of that person.

''(2) CONSIDERATION BY SECRETARY OF STATE.—The issues referred to in paragraph (1) shall be reserved for consideration exclusively by the Secretary of State as described in subsection (c)(2).

''(3) ADDITIONAL CONSIDERATION.—Notwithstanding the certification requirements described in subsection (c)(2), the Secretary of State may, within the sole discretion of the Secretary—

''(A) in addition to considering the issues referred to in paragraph (1) for purposes of certifying the filing of a complaint under this section, consider those issues again in exercising authority to surrender the person sought for extradition in carrying out the procedures under section 3184 and 3186; and

''(B) impose conditions on surrender including those provided in subsection (i).

''(i) CONDITIONS OF SURRENDER; ASSURANCES.—

''(1) IN GENERAL.—The Secretary of State may—

''(A) impose conditions upon the surrender of a person sought for extradition under this section; and

''(B) require such assurances of compliance with those conditions, as the Secretary determines to be appropriate.

''(2) ADDITIONAL ASSURANCES.—In addition to imposing conditions and requiring assurances under paragraph (1), the Secretary shall demand, as a condition of the extradition of the person that is sought for extradition—

''(A) in every case, an assurance the Secretary determines to be satisfactory that the person shall not be tried or punished for an offense other than the offense for which the person has been extradited, absent the consent of the United States; and

''(B) in a case in which the offense for which extradition is sought is punishable by death in the foreign country of the requesting foreign government and is not so punishable under the applicable laws in the United States, an assurance the Secretary determines to be satisfactory that the death penalty—

''(i) shall not be imposed; or

''(ii) if imposed, shall not be carried out.''.

SEC. 1011. TECHNICAL AND CONFORMING AMENDMENTS.

(a) IN GENERAL.—Chapter 309 of title 18, United States Code, is amended—

(1) in section 3181, by inserting '', other than sections 3197 and 3198,'' after ''The provisions of this chapter'' each place that term appears; and

(2) in section 3186, by striking ''or 3185'' and inserting '', 3185, 3197 or 3198''.

(b) CHAPTER ANALYSIS.—The analysis for chapter 209 of title 18, United States Code, is amended by adding at the end the following:

''3197. Extradition for offenses not covered by a list treaty.

''3198. Extradition absent a treaty.''.

SEC. 1012. TEMPORARY TRANSFER OF PERSONS IN CUSTODY FOR PROSECUTION.

(a) IN GENERAL.—Chapter 306 of title 18, United States Code, is amended by adding at the end the following:

''§ 4116. Temporary transfer for prosecution

''(a) STATE DEFINED.—In this section, the term 'State' includes a State of the United States, the District of Columbia, and a commonwealth, territory, or possession of the United States.

''(b) AUTHORITY OF ATTORNEY GENERAL WITH RESPECT TO TEMPORARY TRANSFERS.—

''(1) IN GENERAL.—Subject to subsection (d), if a person is in pretrial detention or is otherwise being held in custody in a foreign country based upon a violation of the law in that foreign country, and that person is found extraditable to the United States by the competent authorities of that foreign country while still in the pretrial detention or custody, the Attorney General shall have the authority—

''(A) to request the temporary transfer of that person to the United States in order to face prosecution in a Federal or State criminal proceeding;

''(B) to maintain the custody of that person while the person is in the United States; and

''(C) to return that person to the foreign country at the conclusion of the criminal prosecution, including any imposition of sentence.

''(2) REQUIREMENTS FOR REQUESTS BY ATTORNEY GENERAL.—The Attorney General shall make a request under paragraph (1) only if the Attorney General determines, after consultation with the Secretary of State, that the return of that person to the foreign country in question would be consistent with international obligations of the United States.

''(c) AUTHORITY OF ATTORNEY GENERAL WITH RESPECT TO PRETRIAL DETENTIONS.—

''(1) IN GENERAL.—

''(A) AUTHORITY OF ATTORNEY GENERAL.—Subject to paragraph (2) and subsection (d), the Attorney General shall have the authority to carry out the actions described in subparagraph (B), if—

''(i) a person is in pretrial detention or is otherwise being held in custody in the United States based upon a violation of Federal or State law, and that person is found extraditable to a foreign country while still in the pretrial detention or custody pursuant to section 3184, 3197, or 3198; and

''(ii) a determination is made by the Secretary of State and the Attorney General that the person will be surrendered.

''(B) ACTIONS.—If the conditions described in subparagraph (A) are met, the Attorney General shall have the authority to—

''(i) temporarily transfer the person described in subparagraph (A) to the foreign country of the foreign government requesting the extradition of that person in order to face prosecution;

''(ii) transport that person from the United States in custody; and

''(iii) return that person in custody to the United States from the foreign country.

''(2) CONSENT BY STATE AUTHORITIES.—If the person is being held in custody for a violation of State law, the Attorney General may exercise the authority described in paragraph (1) if the appropriate State authorities give their consent to the Attorney General.

''(3) CRITERION FOR REQUEST.—The Attorney General shall make a request under paragraph (1) only if the Attorney General determines, after consultation with the Secretary of State, that the return of the person sought for extradition to the foreign country of the foreign government requesting the extradition would be consistent with United States international obligations.

''(4) EFFECT OF TEMPORARY TRANSFER.—With regard to any person in pretrial detention—

''(A) a temporary transfer under this subsection shall result in an interruption in the pretrial detention status of that person; and

''(B) the right to challenge the conditions of confinement pursuant to section 3142(f) does not extend to the right to challenge the conditions of confinement in a foreign country while in that foreign country temporarily under this subsection.

''(d) CONSENT BY PARTIES TO WAIVE PRIOR FINDING OF WHETHER A PERSON IS EXTRADITABLE.—The Attorney General may exercise the authority described in subsections (b) and (c) absent a prior finding that the person in custody is extraditable, if the person, any appropriate State authorities in a case under subsection (c), and the requesting foreign government give their consent to waive that requirement.

''(e) RETURN OF PERSONS.—

''(1) IN GENERAL.—If the temporary transfer to or from the United States of a person in custody for the purpose of prosecution is provided for by this section, that person shall be returned to the United States or to the foreign country from which the person is transferred on completion of the proceedings upon which the transfer was based.

''(2) STATUTORY INTERPRETATION WITH RESPECT TO IMMIGRATION LAWS.—In no event shall the return of a person under paragraph (1) require extradition proceedings or proceedings under the immigration laws.

''(3) CERTAIN RIGHTS AND REMEDIES BARRED.—Notwithstanding any other provision of law, a person temporarily transferred to the United States pursuant to this section shall not be entitled to apply for or obtain any right or remedy under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), including the right to apply for or be granted asylum or withholding of deportation.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 306 of title

18, United States Code, is amended by adding at the end the following:

''4116. Temporary transfer for prosecution.''.

SEC. 1013. PROHIBITING FUGITIVES FROM BENEFITING FROM FUGITIVE STATUS.

(a) IN GENERAL.—Chapter 163 of title 28, United States Code, is amended by adding at the end the following:

''§ 2466. Fugitive disentitlement

''A person may not use the resources of the courts of the United States in furtherance of a claim in any related civil forfeiture action or a claim in third party proceedings in any related criminal forfeiture action if that person—

''(1) purposely leaves the jurisdiction of the United States;

''(2) declines to enter or reenter the United States to submit to its jurisdiction; or

''(3) otherwise evades the jurisdiction of the court in which a criminal case is pending against the person.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 163 of title 28, United States Code, is amended by adding at the end the following:

''2466. Fugitive disentitlement.''.

SEC. 1014. TRANSFER OF FOREIGN PRISONERS TO SERVE SENTENCES IN COUNTRY OF ORIGIN.

Section 4100(b) of title 18, United States Code, is amended in the third sentence by inserting '', unless otherwise provided by treaty,'' before ''an offender''.

SEC. 1015. TRANSIT OF FUGITIVES FOR PROSECUTION IN FOREIGN COUNTRIES.

(a) IN GENERAL.—Chapter 305 of title 18, United States Code, is amended by adding at the end the following:

''§ 4087. Transit through the United States of persons wanted in a foreign country

''(a) IN GENERAL.—The Attorney General may, in consultation with the Secretary of State, permit the temporary transit through the United States of a person wanted for prosecution or imposition of sentence in a foreign country.

''(b) LIMITATION ON JUDICIAL REVIEW.—A determination by the Attorney General to permit or not to permit a temporary transit described in subsection (a) shall not be subject to judicial review.

''(c) CUSTODY.—If the Attorney General permits a temporary transit under subsection (a), Federal law enforcement personnel may hold the person subject to that transit in custody during the transit of the person through the United States.

''(d) CONDITIONS APPLICABLE TO PERSONS SUBJECT TO TEMPORARY TRANSIT.—Notwithstanding any other provision of law, a person who is subject to a temporary transit through the United States under this section shall—

''(1) be required to have only such documents as the Attorney General shall require;

''(2) not be considered to be admitted or paroled into the United States; and

''(3) not be entitled to apply for or obtain any right or remedy under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), including the right to apply for or be granted asylum or withholding of deportation.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 305 of title 18, United States Code, is amended by adding at the end the following:

''4087. Transit through the United States of persons wanted in a foreign country.''.

CHAPTER 5—SEIZING AND FORFEITING ASSETS OF INTERNATIONAL CRIMINALS

SEC. 1016. CRIMINAL PENALTIES FOR VIOLATIONS OF ANTI-MONEY LAUNDERING ORDERS.

(a) REPORTING VIOLATIONS.—Section 5324(a) of title 31, United States Code, is amended—

(1) in the matter preceding paragraph (1), by inserting '', or the reporting requirements imposed by an order issued pursuant to section 5326'' after ''any such section''; and

(2) in each of paragraphs (1) and (2), by inserting '', or a report required under any order issued pursuant to section 5326'' before the semicolon.

(b) PENALTIES.—Sections 5321(a)(1), 5322(a), and 5322(b) of title 31, United States Code, are each amended by inserting ''or order issued'' after ''or a regulation prescribed'' each place that term appears.

SEC. 1017. CRACKING DOWN ON ILLEGAL MONEY TRANSMITTING BUSINESSES.

Section 1960 of title 18, United States Code, is amended by adding at the end the following:

''(c) SCIENTER REQUIREMENT.—For the purposes of proving a violation of this section involving an illegal money transmitting business (as defined in subsection (b)(1)(A))—

''(1) it shall be sufficient for the government to prove that the defendant knew that the money transmitting business lacked a license required by State law; and

''(2) it shall not be necessary to show that the defendant knew that the operation of such a business without the required license was an offense punishable as a felony or misdemeanor under State law.''.

SEC. 1018. EXPANDING CIVIL MONEY LAUNDERING LAWS TO REACH FOREIGN PERSONS.

Section 1956(b) of title 18, United States Code, is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting ''(1)'' after ''(b)''; and

(3) by adding at the end the following:

''(2) For purposes of adjudicating an action filed or enforcing a penalty ordered under this section, the district courts shall have jurisdiction over any foreign person, including any financial institution registered in a foreign country, that commits an offense under subsection (a) involving a financial transaction that occurs in whole or in part in the United States, if service of process upon the foreign person is made in accordance with the Federal Rules of Civil Procedure or the law of the foreign country in which the foreign person is found.

''(3) The court may issue a pretrial restraining order or take any other action necessary to ensure that any bank account or other property held by the defendant in the United States is available to satisfy a judgment under this section.''.

SEC. 1019. PUNISHMENT OF MONEY LAUNDERING THROUGH FOREIGN BANKS.

Section 1956(c)(6) of title 18, United States Code, is amended to read as follows:

''(6) the term 'financial institution' includes any financial institution described in section 5312(a)(2) of title 31, United States Code, or the regulations promulgated thereunder, as well as any foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978 (12 U.S.C. 3101(7));''.

SEC. 1020. AUTHORITY TO ORDER CONVICTED CRIMINALS TO RETURN PROPERTY LOCATED ABROAD.

(a) ORDER OF FORFEITURE.—Section 413(p) of the Controlled Substances Act (21 U.S.C. 853(p)) is amended by adding at the end the following: ''In the case of property described in paragraph (3), the court may, in addition, order the defendant to return the property to the jurisdiction of the court so that the property may be seized and forfeited.''.

(b) PRETRIAL RESTRAINING ORDER.—Section 413(e) of the Controlled Substances Act (21 U.S.C. 853(e)) is amended by inserting after paragraph (3) the following:

''(4)(A) Pursuant to its authority to enter a pretrial restraining order under this section, including its authority to restrain any property forfeitable as substitute assets, the court may also order the defendant to repatriate any property subject to forfeiture pending trial, and to deposit that property in the registry of the court, or with the United States Marshals Service or the Secretary of the Treasury, in an interest-bearing account.

''(B) Failure to comply with an order under this subsection, or an order to repatriate property under subsection (p), shall be punishable as a civil or criminal contempt of court, and may also result in an enhancement of the sentence for the offense giving rise to the forfeiture under the obstruction of justice provision of section 3C1.1 of the Federal Sentencing Guidelines.''.

SEC. 1021. ADMINISTRATIVE SUMMONS AUTHORITY UNDER THE BANK SECRECY ACT.

Section 5318(b) of title 31, United States Code, is amended by striking paragraph (1) and inserting the following:

''(1) SCOPE OF POWER.—The Secretary of the Treasury may take any action described in paragraph (3) or (4) of subsection (a) for the purpose of—

''(A) determining compliance with the rules of this subchapter or any regulation issued under this subchapter; or

''(B) civil enforcement of violations of this subchapter, section 21 of the Federal Deposit Insurance Act, section 411 of the National Housing Act, or chapter 2 of Public Law 91–508 (12 U.S.C. 1951 et seq.), or any regulation issued under any such provision.''.

SEC. 1022. EXEMPTING FINANCIAL ENFORCEMENT DATA FROM UNNECESSARY DISCLOSURE.

(a) IEEPA.—Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702(a)) is amended—

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

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

''(3) EXEMPTIONS FROM DISCLOSURE.—Information obtained under this title before or after the enactment of this section may be withheld only to the extent permitted by statute, except that information submitted, obtained, or considered in connection with any transaction prohibited under this title, including license applications, licenses or other authorizations, information or evidence obtained in the course of any investigation, and information obtained or furnished under this title in connection with international agreements, treaties, or obligations shall be withheld from public disclosure, and shall not be subject to disclosure under section 552 of title 5, United States Code, unless the release of the information is determined by the President to be in the national interest.''.

(b) TRADING WITH THE ENEMY ACT.—Section 5(b) of the Trading with the Enemy Act of 1917 (50 U.S.C. App. 5(b)) is amended—

(1) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively; and

(2) by inserting after paragraph (1) the following:

''(2) EXEMPTIONS FROM DISCLOSURE.—Information obtained under this title before or after the enactment of this section may be withheld only to the extent permitted by statute, except that information submitted, obtained, or considered in connection with any transaction prohibited under this title, including license applications, licenses or other authorizations, information or evidence obtained in the course of any investigation, and information obtained or furnished under this title in connection with international agreements, treaties, or obligations shall be withheld from public disclosure, and shall not be subject to disclosure under section 552 of title 5, United States

Code, unless the release of the information is determined by the President to be in the national interest.''.

SEC. 1023. CRIMINAL AND CIVIL PENALTIES UNDER THE INTERNATIONAL EMERGENCY ECONOMIC POWERS ACT.

(a) INCREASED CIVIL PENALTY.—Section 206(a) of the International Emergency Economic Powers Act (50 U.S.C. 1705(a)), is amended by striking ''$10,000'' and inserting ''$50,000''.

(b) INCREASED CRIMINAL FINE.—Section 206(b) of the International Emergency Economic Powers Act (50 U.S.C. 1705(b)), is amended to read as follows:

''(b) Whoever willfully violates any license, order, or regulation issued under this chapter shall be fined not more that $1,000,000 if an organization (as defined in section 18 of title 18, United States Code), and not more than $250,000, imprisoned not more that 10 years, or both, if an individual.''.

SEC. 1024. ATTEMPTED VIOLATIONS OF THE TRADING WITH THE ENEMY ACT.

Section 16 of the Trading With the Enemy Act (50 U.S.C. App. 16) is amended—

(1) in subsection (a), by inserting ''or attempt to violate'' after ''violate'' each time it appears; and

(2) in subsection (b)(1), by inserting ''or attempts to violate'' after ''violates''.

SEC. 1025. JURISDICTION OVER CERTAIN FINANCIAL CRIMES COMMITTED ABROAD.

Section 1029 of title 18, United States Code, is amended by adding at the end the following:

''(h) JURISDICTION OVER CERTAIN FINANCIAL CRIMES COMMITTED ABROAD.—Any person who, outside the jurisdiction of the United States, engages in any act that, if committed within the jurisdiction of the United States, would constitute an offense under subsection (a) or (b), shall be subject to the same penalties as if that offense had been committed in the United States, if the act—

''(1) involves an access device issued, owned, managed, or controlled by a financial institution, account issuer, credit card system member, or other entity within the jurisdiction of the United States; and

''(2) causes, or if completed would have caused, a transfer of funds from or a loss to an entity listed in paragraph (1).''.

CHAPTER 6—PROMOTING GLOBAL COOPERATION IN THE FIGHT AGAINST INTERNATIONAL CRIME

SEC. 1026. STREAMLINED PROCEDURES FOR EXECUTION OF MLAT REQUESTS.

(a) IN GENERAL.—Chapter 117 of title 28, United States Code, is amended by adding at the end the following:

''§ 1790. Assistance to foreign authorities

''(a) IN GENERAL.—

''(1) PRESENTATION OF REQUESTS.—The Attorney General may present a request made by a foreign government for assistance with respect to a foreign investigation, prosecution, or proceeding regarding a criminal matter pursuant to a treaty, convention, or executive agreement for mutual legal assistance between the United States and that government or in accordance with section 1782, the execution of which requires or appears to require the use of compulsory measures in more than 1 judicial district, to a judge or judge magistrate of—

''(A) any 1 of the districts in which persons who may be required to appear to testify or produce evidence or information reside or are found, or in which evidence or information to be produced is located; or

''(B) the United States District Court for the District of Columbia.

''(2) AUTHORITY OF COURT.—A judge or judge magistrate to whom a request for assistance is presented under paragraph (1) shall have the authority to issue those orders necessary to execute the request including orders appointing a person to direct the taking of testimony or statements and the production of evidence or information, of whatever nature and in whatever form, in execution of the request.

''(b) AUTHORITY OF APPOINTED PERSONS.—A person appointed under subsection (a)(2) shall have the authority to—

''(1) issue orders for the taking of testimony or statements and the production of evidence or information, which orders may be served at any place within the United States;

''(2) administer any necessary oath; and

''(3) take testimony or statements and receive evidence and information.

''(c) PERSONS ORDERED TO APPEAR.—A person ordered pursuant to subsection (b)(1) to appear outside the district in which that person resides or is found may, not later than 10 days after receipt of the order—

''(1) file with the judge or judge magistrate who authorized execution of the request a motion to appear in the district in which that person resides or is found or in which the evidence or information is located; or

''(2) provide written notice, requesting appearance in the district in which the person resides or is found or in which the evidence or information is located, to the person issuing the order to appear, who shall advise the judge or judge magistrate authorizing execution.

''(d) TRANSFER OF REQUESTS.—

''(1) IN GENERAL.—The judge or judge magistrate may transfer a request under subsection (c), or that portion requiring the appearance of that person, to the other district if—

''(A) the inconvenience to the person is substantial; and

''(B) the transfer is unlikely to adversely affect the effective or timely execution of the request or a portion thereof.

''(2) EXECUTION.—Upon transfer, the judge or judge magistrate to whom the request or a portion thereof is transferred shall complete its execution in accordance with subsections (a) and (b).''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 117 of title 28, United States Code, is amended by adding at the end the following:

''1790. Assistance to foreign authorities.''.

SEC. 1027. TEMPORARY TRANSFER OF INCARCERATED WITNESSES.

(a) IN GENERAL.—Section 3508 of title 18, United States Code, is amended—

(1) by striking the section heading and inserting the following:

''§ 3508. Temporary transfer of witnesses in custody'';

(2) by striking subsections (b) and (c) and inserting the following:

''(b) TRANSFER AUTHORITY.—

''(1) IN GENERAL.—If the testimony of a person who is serving a sentence, in pretrial detention, or otherwise being held in custody in the United States, is needed in a foreign criminal proceeding, the Attorney General shall have the authority to—

''(A) temporarily transfer that person to the foreign country for the purpose of giving the testimony;

''(B) transport that person from the United States in custody;

''(C) make appropriate arrangements for custody for that person while outside the United States; and

''(D) return that person in custody to the United States from the foreign country.

''(2) PERSONS HELD FOR STATE LAW VIOLATIONS.—If the person is being held in custody for a violation of State law, the Attorney General may exercise the authority described in this subsection if the appropriate State authorities give their consent.

''(c) RETURN OF PERSONS TRANSFERRED.—

''(1) IN GENERAL.—If the transfer to or from the United States of a person in custody for the purpose of giving testimony is provided for by treaty or convention, by this section, or both, that person shall be returned to the United States, or to the foreign country from which the person is transferred.

''(2) LIMITATION.—In no event shall the return of a person under this subsection require any request for extradition or extradition proceedings, or require that person to be subject to deportation or exclusion proceedings under the laws of the United States, or the foreign country from which the person is transferred.

''(d) APPLICABILITY OF INTERNATIONAL AGREEMENTS.—If there is an international agreement between the United States and the foreign country in which a witness is being held in custody or to which the witness will be transferred from the United States, that provides for the transfer, custody, and return of those witnesses, the terms and conditions of that international agreement shall apply. If there is no such international agreement, the Attorney General may exercise the authority described in subsections (a) and (b) if both the foreign country and the witness give their consent.

''(e) RIGHTS OF PERSONS TRANSFERRED.—

''(1) Notwithstanding any other provision of law, a person held in custody in a foreign country who is transferred to the United States pursuant to this section for the purpose of giving testimony—

''(A) shall not by reason of that transfer, during the period that person is present in the United States pursuant to that transfer, be entitled to apply for or obtain any right or remedy under the Immigration and Nationality Act, including the right to apply for or be granted asylum or withholding of deportation or any right to remain in the United States under any other law; and

''(B) may be summarily removed from the United States upon order of the Attorney General.

''(2) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to create any substantive or procedural right or benefit to remain in the United States that is legally enforceable in a court of law of the United States or of a State by any party against the United States or its agencies or officers.

''(f) CONSISTENCY WITH INTERNATIONAL OBLIGATIONS.—The Attorney General shall not take any action under this section to transfer or return a person to a foreign country unless the Attorney General determines, after consultation with the Secretary of State, that transfer or return would be consistent with the international obligations of the United States. A determination by the Attorney General under this subsection shall not be subject to judicial review by any court.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 223 of title 18, United States Code, is amended by striking the item relating to section 3508 and inserting the following:

''3508. Temporary transfer of witnesses in custody.''.

SEC. 1028. TRAINING OF FOREIGN LAW ENFORCEMENT AGENCIES.

Section 660(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2420(b)) is amended—

(1) in paragraph (4), by striking ''or'' at the end;

(2) in paragraph (6), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(7) with respect to assistance, including training, provided for antiterrorism purposes.''.

SEC. 1029. DISCRETIONARY AUTHORITY TO USE FORFEITURE PROCEEDS.

Section 524(c)(1) of title 28, United States Code, is amended by—

(1) redesignating subparagraph (I) beginning with ''after all'' as subparagraph (J);

(2) in subparagraph (J) as redesignated, striking the period and inserting '', and''; and

(3) adding at the end the following:

''(J) at the discretion of the Attorney General, payments to return forfeited property repatriated to the United States by a foreign government or others acting at the direction of a foreign government, and interest earned on the property, if—

''(i) a final foreign judgment entered against a foreign government or those acting at its direction, which foreign judgment was based on the measures, such as seizure and repatriation of property, that resulted in deposit of the funds into the Fund;

''(ii) the foreign judgment was entered and presented to the Attorney General not later than 5 years after the date on which the property was repatriated to the United States;

''(iii) the foreign government or those acting at its direction vigorously defended its actions under its own laws; and

''(iv) the amount of the disbursement does not exceed the amount of funds deposited to the Fund, plus interest earned on those funds pursuant to section 524(c)(5), less any awards and equitable shares paid by the Fund to the foreign government or those acting at its direction in connection with a particular case.''.

Subtitle B—International Drug Control

SEC. 1201. ANNUAL COUNTRY PLANS FOR DRUG-TRANSIT AND DRUG PRODUCING COUNTRIES.

Section 490 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291j) is amended by adding at the end the following:

''(i) COUNTRY PLANS FOR MAJOR DRUG-TRANSIT AND MAJOR ILLICIT DRUG PRODUCING COUNTRIES.—

''(1) ANNUAL REQUIREMENT.—Not later than November 1 of each year, the President shall submit to Congress a separate plan for the activities to be undertaken by the United States in order to address drug-trafficking and other drug-related matters in each country described in paragraph (2).

''(2) COVERED COUNTRIES.—A country referred to in paragraph (1) is any country—

''(A) that is determined by the President to be a major drug-transit county or a major illicit drug producing country; and

''(B) with which the United States is maintaining diplomatic relations.

''(3) FORM.—Each plan under paragraph (1) shall be submitted in unclassified form, but may contain a classified annex.''.

SEC. 1202. PROHIBITION ON USE OF FUNDS FOR COUNTERNARCOTICS ACTIVITIES AND ASSISTANCE.

(a) PROHIBITION.—Notwithstanding any other provision of law, no funds appropriated for any fiscal year after fiscal year 1999 for the counterdrug or counternarcotics activities of the United States (including funds appropriated for assistance to other countries for such activities) may be obligated or expended for such activities during the period beginning on November 1 of such fiscal year and ending on the later of—

(1) the date of the notification required in such fiscal year under subsection (h) of section 490 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291j); or

(2) the date of the submittal of the plans required by subsection (i) of that section, as amended by section 1201 of this title.

(b) LIMITATION ON OVERRIDE.—No provision of law enacted after the date of enactment of this Act may be construed to override the prohibition set forth in subsection (a) unless such provision specifically refers to such prohibition in effecting the override.

SEC. 1203. SENSE OF CONGRESS REGARDING COLOMBIA.

It is the sense of Congress—

(1) that the provision of counternarcotics assistance to Colombia will not meet the purpose of the provision of such assistance without meaningful guarantees that no production, manufacturing, or transportation of narcotics takes place in any area in Colombia designated as a so-called ''buffer zone'';

(2) to be concerned regarding continuing reports of human rights violations by units of the Colombia military; and

(3) to reaffirm the policy that no aid, supplies, or other assistance should be provided to any military or law enforcement unit of a foreign county if such unit has engaged in any violation of human rights.

SEC. 1204. SENSE OF CONGRESS REGARDING MEXICO.

It is the sense of Congress that—

(1) the United States and the Government of Mexico should conclude a maritime agreement for purposes of improving cooperation between the United States and Mexico in the interdiction of seaborne drug smuggling;

(2) the maritime agreement should be similar to agreements between the United States and governments of other countries in the Caribbean and Latin America which have proven beneficial to the counterdrug activities of the countries concerned;

(3) the Government of Mexico should carry through on its promises to the United States Government regarding cooperation between such governments in counternarcotics activities, including cooperation in matters relating to extradition, prosecutions for money laundering, and other matters;

(4) the Government of Mexico is to be commended for its cooperation with and support of the United States Government in many law enforcement matters; and

(5) the continuing investigation by the Government of Mexico of United States law enforcement personnel who participated in the money laundering sting operation known as CASABLANCA is an attempt by that government to embarrass and harass such personnel even though such personnel were acting within the scope of United States law and Mexican law in pursuing drug traffickers and money launderers operating both in the United States and in Mexico.

SEC. 1205. SENSE OF CONGRESS REGARDING IRAN.

It is the sense of Congress to express concern that Iran was not included on the most recent list of countries determined to be major drug-transit counties or major illicit drug producing countries despite recent evidence that Iran is a production and transfer point for narcotics.

SEC. 1206. SENSE OF CONGRESS REGARDING SYRIA.

It is the sense of Congress to express concern that Syria was not included on the most recent list of countries determined to be major drug-transit counties or major illicit drug producing countries despite recent evidence that Syria is a trans-shipment point for narcotics from Turkey and from Afghanistan.

SEC. 1207. BRAZIL.

(a) KING AIR AIRCRAFT FOR DEA ACTIVITIES IN BRAZIL.—Notwithstanding any other provision of law, the Administrator of the Drug Enforcement Administration may—

(1) purchase a King Air aircraft for purposes of Administration activities in Brazil; and

(2) station the aircraft in Brazil for purposes of such activities.

(b) SENSE OF CONGRESS REGARDING ASSISTANCE TO BRAZIL.—It is the sense of Congress—

(1) to encourage the President to review the nature of the cooperation between the United States and Brazil in counternarcotics activities;

(2) to recognize the extraordinary threat that narcotics trafficking poses to the national security of Brazil and to the national security of the United States;

(3) to applaud the efforts of the Brazil Government to control drug trafficking in and through the Amazon River basin;

(4) to applaud the enactment of legislation by the Brazil Congress that—

(A) authorizes appropriate personnel to damage, render inoperative, or destroy aircraft within Brazil territory that are reasonably suspected to be engaged primarily in trafficking in illicit narcotics; and

(B) contains measures to protect against the loss of innocent life during activities referred to in subparagraph (A), including a effective measure to identify and warn aircraft before the use of force; and

(5) to urge the President to issue a statement outlining the matters referred to in paragraphs (1) through (4) in order to prevent any interruption in the current provision by the United States of operational, logistical, technical, administrative, and intelligence assistance to Brazil.

SEC. 1208. JAMAICA.

(a) REQUIREMENT FOR AERIAL SURVEY.—The President shall take appropriate actions in order to provide for a comprehensive aerial survey of Jamaica for purposes of determining the quantity and location of any marijuana and other illegal drugs being grown in Jamaica.

(b) SENSE OF CONGRESS.—It is the sense of Congress to express disappointment regarding the lack of progress and cooperation between the United States and Jamaica in counternarcotics activities.

SEC. 1209. SENSE OF CONGRESS REGARDING NORTH KOREA.

It is the sense of Congress—

(1) to be concerned regarding an increase in the number of reports of drug trafficking in and through North Korea;

(2) to encourage the President to submit to Congress the reports, if any, required by law regarding the production and trafficking of narcotics in or through North Korea; and

(3) to express concern that the Department of State has evaded its obligations with respect to North Korea under section 490 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291j), and thereby diminished the significance to the United States of narcotics production and transit in and through North Korea, in order to enhance cultural exchanges between the United States and North Korea.

Subtitle C—Foreign Military Counter-Drug Support

SEC. 1301. REPORT.

(a) MONTHLY REPORT.—The Department of State and the Department of Defense shall report monthly to the Committee on International Relations and the Committee on National Security of the House of Representatives and the Committee on Foreign Relations and the Committee on Armed Services of the Senate on the current status of any formal letter of request for any foreign military sales of counter narcotics-related assistance from the head of any police, military, or other appropriate security agency official in an Andean Country. This report shall include—

(1) the date the initial request was made;

(2) the current status of the request;

(3) the remaining approvals needed to process the request;

(4) the date that the request has been approved by all relevant departments and agencies; and

(5) the expected delivery time for the requested material.

(b) ANALYSIS.—The Department of State shall review and forward to Congress an analysis of the current foreign military sales program within 180 days (from time of enactment). This review shall focus on—

(1) what, if any, are the current delays in the foreign military sales program;

(2) the manner in which the program can be streamlined;

(3) the manner in which the efficiency of processing requested equipment can be increased; and

(4) what, if any, legislative changes are necessary to improve the program so that the time from request to delivery is minimized.

Subtitle D—Money Laundering Deterrence

SEC. 1401. SHORT TITLE.

This subtitle may be cited as the ''Money Laundering Deterrence Act of 1999''.

SEC. 1402. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the dollar amount involved in international money laundering likely exceeds $500,000,000,000 annually;

(2) organized crime groups are continually devising new methods to launder the proceeds of illegal activities in an effort to subvert the transaction reporting requirements of subchapter II of chapter 53 of title 31, United States Code, and chapter 2 of Public Law 91–508;

(3) a number of methods to launder the proceeds of criminal activity were identified and described in congressional hearings, including the use of financial service providers that are not depository institutions, such as money transmitters and check cashing services, the purchase and resale of durable goods, and the exchange of foreign currency in the so-called ''black market'';

(4) recent successes in combating domestic money laundering have involved the application of the heretofore seldom-used authority granted to the Secretary of the Treasury and the cooperative efforts of Federal, State, and local law enforcement agencies; and

(5) such successes have been exemplified by the implementation of the geographic targeting order in New York City and through the work of the El Dorado task force, a group comprised of agents of Department of the Treasury law enforcement agencies, New York State troopers, and New York City police officers.

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

(1) to amend subchapter II of chapter 53 of title 31, United States Code, to provide the law enforcement community with the necessary legal authority to combat money laundering;

(2) to broaden the law enforcement community's access to transactional information already being collected that relates to coins and currency received in a nonfinancial trade or business; and

(3) to express the sense of Congress that the Secretary of the Treasury should expedite the development and implementation of controls designed to deter money laundering activities at certain types of financial institutions.

SEC. 1403. REPORTING OF SUSPICIOUS ACTIVITIES.

(a) AMENDMENT RELATING TO CIVIL LIABILITY IMMUNITY FOR DISCLOSURES.—Section 5318(g)(3) of title 31, United States Code, is amended to read as follows:

''(3) LIABILITY FOR DISCLOSURES.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, an exempted entity, as defined in subparagraph (B), shall not be liable to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision thereof, or under any contract or other legally enforceable agreement (including any arbitration agreement), for a disclosure described in subparagraph (B)(i), or for any failure to notify the person who is the subject of the disclosure or any other person identified in the disclosure.

''(B) EXEMPTED ENTITIES.—For purposes of this paragraph, the term 'exempted entity' means—

''(i) any financial institution that—

''(I) makes a disclosure of any possible violation of law or regulation to an appropriate government agency; or

''(II) makes a disclosure pursuant to this subsection or any other authority;

''(ii) any director, officer, employee, or agent of an institution referred to in clause (i) who makes, or requires another to make a disclosure referred to in clause (i); and

''(iii) any independent public accountant who audits any such financial institution and makes a disclosure described in clause (i).''.

(b) PROHIBITION ON NOTIFICATION OF DISCLOSURES.—Section 5318(g)(2) of title 31, United States Code, is amended to read as follows:

''(2) NOTIFICATION PROHIBITED.—

''(A) IN GENERAL.—If a financial institution, any director, officer, employee, or agent of any financial institution, or any independent public accountant who audits any such financial institution, voluntarily or pursuant to this section or any other authority, reports a suspicious transaction to an appropriate government agency—

''(i) the financial institution, director, officer, employee, agent, or accountant may not notify any person involved in the transaction that the transaction has been reported and may not disclose any information included in the report to any such person; and

''(ii) no other person, including any officer or employee of any government, who has any knowledge that such report was made, may disclose to any other person or government agency the fact that such report was made.

''(B) EXCEPTION FOR USE BY GOVERNMENT OFFICERS IN OFFICIAL CAPACITY.—Paragraph (1) does not apply to the use or disclosure by an officer or employee of an appropriate government agency of any report under this subsection, or information included in the report, to the extent that the use is made solely in conjunction with the performance of the official duties of the officer or employee to conduct or assist in the conduct of a law enforcement or regulatory inquiry, investigation, or proceeding.

''(C) COORDINATION WITH PARAGRAPH (5).—Subparagraph (A) shall not be construed to prohibit any financial institution, or any director, officer, employee, or agent of a financial institution, from including, in a written employment reference that is provided in accordance with paragraph (5) in response to a request from another financial institution, information that was included in a report to which subparagraph (A) applies, but such written employment reference may not disclose that the information was also included in any such report or that a report was made.''.

(c) AUTHORIZATION TO INCLUDE SUSPICIONS OF ILLEGAL ACTIVITY IN EMPLOYMENT REFERENCES.—Section 5318(g) of title 31, United States Code, is amended by adding at the end the following:

''(5) EMPLOYMENT REFERENCES MAY INCLUDE SUSPICIONS OF INVOLVEMENT IN ILLEGAL ACTIVITY.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, and subject to subparagraph (B) of this paragraph and paragraph (2)(C), any financial institution, and any director, officer, employee, or agent of a financial institution, may disclose, in any written employment reference relating to a current or former institution-affiliated party of the institution that is provided to another financial institution in response to a request from the other institution, information concerning the possible involvement of the institution-affiliated party in any suspicious transaction relevant to a possible violation of law or regulation.

''(B) LIMIT ON LIABILITY FOR DISCLOSURES.—A financial institution, and any director, officer, employee, or agent of the institution, shall not be liable to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision thereof, or under any contract or other legally enforceable agreement (including any arbitration agreement), for any disclosure under subparagraph (A), to the extent that—

''(i) the disclosure does not contain information that the institution, director, officer, employee, agent, or accountant knows to be false; and

''(ii) the institution, director, officer, employee, agent, or accountant has not acted with malice or with reckless disregard for the truth in making the disclosure.

''(C) INSTITUTION-AFFILIATED PARTY DEFINED.—For purposes of this paragraph, the term 'institution-affiliated party' has the same meaning as in section 3(u) of the Federal Deposit Insurance Act, except that section 3(u) shall be applied by substituting the term 'financial institution' for the term 'insured depository institution'.''.

(d) AMENDMENTS RELATING TO AVAILABILITY OF SUSPICIOUS ACTIVITY REPORTS FOR OTHER AGENCIES.—Section 5319 of title 31, United States Code, is amended—

(1) in the first sentence, by striking ''5314, or 5316'' and inserting ''5313A, 5314, 5316, or 5318(g)'';

(2) in the last sentence, by inserting ''under section 5313, 5313A, 5314, 5316, or 5318(g)'' after ''records of reports''; and

(3) by adding at the end the following: ''The Secretary of the Treasury may permit the dissemination of information in any such report to any self-regulatory organization (as defined in section 3(a)(26) of the Securities Exchange Act of 1934), if the Securities and Exchange Commission determines that the dissemination is necessary or appropriate to permit the self-regulatory organization to perform its functions under the Securities Exchange Act of 1934 and regulations prescribed under that Act.''.

SEC. 1404. EXPANSION OF SCOPE OF SUMMONS POWER.

Section 5318(b)(1) of title 31, United States Code, is amended by inserting ''examinations to determine compliance with the requirements of this subchapter, section 21 of the Federal Deposit Insurance Act, and chapter 2 of Public Law 91–508 and regulations prescribed pursuant to those provisions, investigations relating to reports filed by financial institutions or other persons pursuant to any such provision or regulation, and'' after ''in connection with''.

SEC. 1405. PENALTIES FOR VIOLATIONS OF GEOGRAPHIC TARGETING ORDERS AND CERTAIN RECORDKEEPING REQUIREMENTS.

(a) CIVIL PENALTY FOR VIOLATION OF TARGETING ORDER.—Section 5321(a)(1) of title 31, United States Code, is amended by inserting ''or order issued'' after ''regulation prescribed''.

(b) CRIMINAL PENALTIES FOR VIOLATION OF TARGETING ORDER.—Subsections (a) and (b) of section 5322 of title 31, United States Code, are amended by inserting ''or order issued''

after ''regulation prescribed'' each place that term appears.

(c) STRUCTURING TRANSACTIONS TO EVADE TARGETING ORDER OR CERTAIN RECORDKEEPING REQUIREMENTS.—Section 5324(a) of title 31, United States Code, is amended—

(1) by inserting a comma after ''shall'';

(2) by striking ''section—'' and inserting ''section, the reporting requirements imposed by any order issued under section 5326, or the recordkeeping requirements imposed by any regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91–508—''; and

(3) in paragraphs (1) and (2), by inserting '', to file a report required by any order issued under section 5326, or to maintain a record required pursuant to any regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91–508'' after ''regulation prescribed under any such section'' each place that term appears.

(d) INCREASE IN CIVIL PENALTIES FOR VIOLATION OF CERTAIN RECORDKEEPING REQUIREMENTS.—

(1) FEDERAL DEPOSIT INSURANCE ACT.—Section 21(j)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1829b(j)(1)) is amended by striking ''$10,000'' and inserting ''the greater of—

''(A) the amount (not to exceed $100,000) involved in the transaction (if any) with respect to which the violation occurred; or

''(B) $25,000''.

(2) PUBLIC LAW 91–508.—Section 125(a) of Public Law 91–508 (12 U.S.C. 1955(a)) is amended by striking ''$10,000'' and inserting ''the greater of—

''(1) the amount (not to exceed $100,000) involved in the transaction (if any) with respect to which the violation occurred; or

''(2) $25,000''.

(e) CRIMINAL PENALTIES FOR VIOLATION OF CERTAIN RECORDKEEPING REQUIREMENTS.—

(1) SECTION 126.—Section 126 of Public Law 91–508 (12 U.S.C. 1956) is amended to read as follows:

''SEC. 126. CRIMINAL PENALTY.

''A person that willfully violates this chapter, section 21 of the Federal Deposit Insurance Act, or a regulation prescribed under this chapter or that section 21, shall be fined not more than $250,000, or imprisoned for not more than 5 years, or both.''.

(2) SECTION 127.—Section 127 of Public Law 91–508 (12 U.S.C. 1957) is amended to read as follows:

''SEC. 127. ADDITIONAL CRIMINAL PENALTY IN CERTAIN CASES.

''A person that willfully violates this chapter, section 21 of the Federal Deposit Insurance Act, or a regulation prescribed under this chapter or that section 21, while violating another law of the United States or as part of a pattern of any illegal activity involving more than $100,000 in a 12-month period, shall be fined not more than $500,000, imprisoned for not more than 10 years, or both.''.

SEC. 1406. REPEAL OF CERTAIN REPORTING REQUIREMENTS.

Section 407(d) of the Money Laundering Suppression Act of 1994 (31 U.S.C. 5311 note) is amended by striking ''subsection (c)'' and inserting ''subsection (c)(2)''.

SEC. 1407. LIMITED EXEMPTION FROM PAPERWORK REDUCTION ACT.

Section 3518(c)(1) of title 44, United States Code, is amended—

(1) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively; and

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

''(C) pursuant to regulations prescribed or orders issued by the Secretary of the Treasury under section 5318(h) or 5326 of title 31;''.

SEC. 1408. SENSE OF CONGRESS.

It is the sense of Congress that the Secretary of the Treasury should, in conjunction with the Board of Governors of the Federal Reserve System, expedite the promulgation of ''know your customer'' regulations for financial institutions.

Subtitle E—Additional Funding For Source and Interdiction Zone Countries

SEC. 1501. SOURCE ZONE COUNTRIES.

In addition to other amounts appropriated for Colombia and Peru for counternarcotics operations for a fiscal year, there is authorized to be appropriated—

(1) $20,000,000 for Peru for each of fiscal years 2000 and 2001 for supporting additional surveillance, pursuit of drug aircraft, and general support for counternarcotics operations;

(2) $75,000,000 for Colombia for each of fiscal years 2000 and 2001, for supporting additional surveillance, pursuit of drug aircraft, and general support for counternarcotics operations, including the acquisition of a minimum of 3 Blackhawk helicopters and 2 aerostats; and

(3) $52,000,000 for Bolivian counternarcotics programs for fiscal year 2000, including high technology detection equipment for the Chapare region, institution building, and law enforcement support.

SEC. 1502. CENTRAL AMERICA.

In addition to the other amounts appropriated, under this Act or any other provision of law, for counternarcotics matters for countries in Central America, there is authorized to be appropriated $25,000,000 for fiscal year 2000 for enhanced efforts in counternarcotics matters by the United States Coast Guard, the United States Customs Service, and other law enforcement agencies.

TITLE II—DOMESTIC LAW ENFORCEMENT

Subtitle A—Criminal Offenders

SEC. 2001. APPREHENSION AND PROCEDURAL TREATMENT OF ARMED VIOLENT CRIMINALS.

(a) CONGRESSIONAL OVERSIGHT.—

(1) REPORT TO ATTORNEY GENERAL.—Not later than 90 days after the date of enactment of this Act, the Attorney General shall require each United States Attorney to—

(A) establish an armed violent criminal apprehension task force comprised of appropriate law enforcement representatives, which shall be responsible for developing strategies for removing armed violent criminals from the streets; and

(B) not less frequently than monthly, report to the Attorney General on the number of defendants charged with, or convicted of, violating section 922(g) or 924 of title 18, United States Code, in the district for which the United States Attorney is appointed.

(2) REPORT TO CONGRESS.—The Attorney General shall prepare and submit a report to the Congress once every 6 months detailing the contents of the reports submitted pursuant to paragraph (1)(B).

(b) PRETRIAL DETENTION FOR POSSESSION OF FIREARMS OR EXPLOSIVES BY CONVICTED FELONS.—Section 3156(a)(4) of title 18, United States Code, is amended—

(1) by striking ''or'' at the end of subparagraph (B);

(2) by striking ''and'' at the end of subparagraph (C) and inserting ''; or''; and

(3) by adding at the end the following:

''(D) an offense that is a violation of section 842(i) or 922(g) (relating to possession of explosives or firearms by convicted felons); and''.

(c) CONFORMING SCIENTER CHANGE FOR TRANSFERRING A FIREARM TO COMMIT A CRIME OF VIOLENCE.—Section 924(h) of title 18, United States Code, is amended by inserting ''or having reasonable cause to believe'' after ''knowing''.

(d) FIREARMS POSSESSION BY VIOLENT FELONS AND SERIOUS DRUG OFFENDERS.—Section 924(a)(2) of title 18, United States Code, is amended—

(1) by striking ''(2) Whoever'' and inserting ''(2)(A) Except as provided in subparagraph (B), any person who''; and

(2) by adding at the end the following:

''(B) Notwithstanding any other provision of law, the court shall not grant a probationary sentence to a person who has more than 1 previous conviction for a violent felony or a serious drug offense, committed under different circumstances.''.

SEC. 2002. CRIMINAL ATTEMPT.

(a) ESTABLISHMENT OF GENERAL ATTEMPT OFFENSE.—

(1) IN GENERAL.—Chapter 19 of title 18, United States Code, is amended—

(A) in the chapter heading, by striking ''Conspiracy'' and inserting ''Inchoate offenses''; and

(B) by adding at the end the following:

''§ 374. Attempt to commit offense

''(a) IN GENERAL.—Whoever, acting with the state of mind otherwise required for the commission of an offense described in this title, intentionally engages in conduct that, in fact, constitutes a substantial step toward the commission of the offense, is guilty of an attempt and is subject to the same penalties as those prescribed for the offense, the commission of which was the object of the attempt, except that the penalty of death shall not be imposed.

''(b) INABILITY TO COMMIT OFFENSE; COMPLETION OF OFFENSE.—It is not a defense to a prosecution under this section—

''(1) that it was factually impossible for the actor to commit the offense, if the offense could have been committed had the circumstances been as the actor believed them to be; or

''(2) that the offense attempted was completed.

''(c) EXCEPTIONS.—This section does not apply—

''(1) to an offense consisting of conspiracy, attempt, endeavor, or solicitation;

''(2) to an offense consisting of an omission, refusal, failure of refraining to act;

''(3) to an offense involving negligent conduct; or

''(4) to an offense described in section 1118, 1120, 1121, or 1153 of this title.

''(d) AFFIRMATIVE DEFENSE.—

''(1) IN GENERAL.—It is an affirmative defense to a prosecution under this section, on which the defendant bears the burden of persuasion by a preponderance of the evidence, that, under circumstances manifesting a voluntary and complete renunciation of criminal intent, the defendant prevented the commission of the offense.

''(2) DEFINITION.—For purposes of this subsection, a renunciation is not 'voluntary and complete' if it is motivated in whole or in part by circumstances that increase the probability of detection or apprehension or that make it more difficult to accomplish the offense, or by a decision to postpone the offense until a more advantageous time or to transfer the criminal effort to a similar objective or victim.''.

(2) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 19 of title 18, United States Code, is amended by adding at the end the following:

''374. Attempt to commit offense.''.

(b) RATIONALIZATION OF CONSPIRACY PENALTY AND CREATION OF RENUNCIATION DEFENSE.—Section 371 of title 18, United States Code, is amended—

(1) by striking the second undesignated paragraph; and

(2) in the first undesignated paragraph—

(A) by striking ''If two or more'' and inserting the following:

''(a) IN GENERAL.—If 2 or more''; and

(B) by striking ''either to commit any offense against the United States, or''; and

(3) by adding at the end the following:

''(b) CONSPIRACY.—If 2 or more persons conspire to commit any offense against the United States, and 1 or more of such persons do any act to effect the object of the conspiracy, each shall be subject to the same penalties as those prescribed for the most serious offense, the commission of which was the object of the conspiracy, except that the penalty of death shall not be imposed.''.

SEC. 2003. DRUG OFFENSES COMMITTED IN THE PRESENCE OF CHILDREN.

(a) IN GENERAL.—For the purposes of this Act, an offense is committed in the presence of a child if—

(1) it takes place in the line of sight of an individual who has not attained the age of 18 years; or

(2) an individual who has not attained the age of 18 years habitually resides in the place where the violation occurs.

(b) GUIDELINES.—Not later than 120 days after the date of enactment of this Act, the United States Sentencing Commission shall amend the Federal sentencing guidelines to provide, with respect to an offense under part D of the Controlled Substances Act is committed in the presence of a child—

(1) a sentencing enhancement of not less than 2 offense levels above the base offense level for the underlying offense or 1 additional year, whichever is greater; and

(2) in the case of a second or subsequent such offense, a sentencing enhancement of not less than 4 offense levels above the base offense level for the underlying offense, or 2 additional years, whichever is greater.

SEC. 2004. SENSE OF CONGRESS ON BORDER DEFENSE.

(a) FINDINGS.—Congress finds that—

(1) the Southwest Border of the United States is a major crossing point for more than 60 percent of the cocaine entering the United States from Latin America;

(2) drug traffickers are increasingly using violence to threaten local residents, to endanger lives, and destroy property;

(3) drug traffickers are creating a law enforcement no-man's land to facilitate drug trafficking on the Mexican side of the common border and using extortionate methods, illegal riches, and intimidation to acquire property on the United States side of the border; and

(4) United States law enforcement efforts have been insufficient to protect lives and property or to prevent the use of illegally obtained riches to acquire property.

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

(1) the President, in cooperation with the Government of Mexico, should take immediate and effective action at and near the United States border with Mexico to control violence and other illegal acts directed at the respective residents of both countries; and

(2) the Attorney General should submit to the Committees on the Judiciary of the House of Representatives and the Senate a report on—

(A) what steps are being taken to ensure the safety of United States citizens at and near the United States border with Mexico;

(B) what steps are being taken to prevent the illegal acquisition of sites and facilities at or near the border by drug traffickers; and

(C) what further steps need to be taken to ensure the safety and well being of the people of the United States along the United States border with Mexico.

SEC. 2005. CLONE PAGERS.

(a) IN GENERAL.—Section 2511(2)(h) of title 18, United States Code, is amended by striking clause (i) and inserting the following:

''(i) to use a pen register, a trap and trace device, or a clone pager, as those terms are defined in chapter 206 (relating to pen registers, trap and trace devices, and clone pagers) of this title; or'';

(b) EXCEPTION.—Section 3121 of title 18, United States Code, is amended—

(1) by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—Except as provided in this section, no person may install or use a pen register, trap and trace device, or clone pager without first obtaining a court order under section 3123 or section 3129 of this title, or under the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.).'';

(2) in subsection (b), by striking ''a pen register or a trap and trace device'' and inserting ''a pen register, trap and trace device, or clone pager''; and

(3) by striking the section heading and inserting the following:

''§ 3121. General prohibition on pen register, trap and trace device, and clone pager use; exception''.

(c) ASSISTANCE.—Section 3124 of title 18, United States Code, is amended—

(1) by redesignating subsections (c) through (f) as subsections (d) through (g), respectively;

(2) by inserting after subsection (b) the following:

''(c) CLONE PAGER.—Upon the request of an attorney for the Government or an officer of a law enforcement agency authorized to use a clone pager under this chapter, a provider of electronic communication service shall furnish to such investigative or law enforcement officer all information, facilities, and technical assistance necessary to accomplish the use of the clone pager unobtrusively and with a minimum of interference with the services that the person so ordered by the court provides to the subscriber, if such assistance is directed by a court order, as provided in section 3129(b)(2) of this title.''; and

(3) by striking the section heading and inserting the following:

''§ 3124. Assistance in installation and use of a pen register, trap and trace device, or clone pager''.

(d) EMERGENCY INSTALLATIONS.—Section 3125 of title 18, United States Code, is amended—

(1) by striking ''pen register or a trap and trace device'' and ''pen register or trap and trace device'' each place those terms appear, and inserting ''pen register, trap and trace device, or clone pager'';

(2) in subsection (a), by striking ''an order approving the installation or use is issued in accordance with section 3123 of this title'' and inserting ''an application is made for an order approving the installation or use in accordance with section 3122 or section 3128 of this title'';

(3) in subsection (b), by adding at the end the following: ''In the event that such application for the use of a clone pager is denied, or in any other case in which the use of the clone pager is terminated without an order having been issued, an inventory shall be served as provided for in section 3129(e).''; and

(4) by striking the section heading and inserting the following:

''§ 3125. Emergency pen register, trap and trace device, and clone pager installation and use''.

(e) REPORTS.—Section 3126 of title 18, United States Code, is amended—

(1) by striking ''pen register orders and orders for trap and trace devices'' and inserting ''orders for pen registers, trap and trace devices, and clone pagers''; and

(2) by striking the section heading and inserting the following:

''§ 3126. Reports concerning pen registers, trap and trace devices, and clone pagers''.

(f) DEFINITIONS.—Section 3127 of title 18, United States Code, is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), by striking ''or'' at the end; and

(B) by striking subparagraph (B) and inserting the following:

''(B) with respect to an application for the use of a pen register or trap and trace device, a court of general criminal jurisdiction of a State authorized by the law of that State to enter orders authorizing the use of a pen register or a trap and trace device; or

''(C) with respect to an application for the use of a clone pager, a court of general criminal jurisdiction of a State authorized by the law of that State to issue orders authorizing the use of a clone pager;'';

(2) in paragraph (5), by striking ''and'' at the end;

(3) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(4) by adding at the end the following:

''(7) the term 'clone pager' means a numeric display device that receives communications intended for another numeric display paging device.''.

(g) APPLICATIONS.—Chapter 206 of title 18, United States Code, is amended by adding at the end the following:

''§ 3128. Application for an order for use of a clone pager

''(a) APPLICATION.—

''(1) FEDERAL REPRESENTATIVES.—Any attorney for the Government may apply to a court of competent jurisdiction for an order or an extension of an order under section 3129 of this title authorizing the use of a clone pager.

''(2) STATE REPRESENTATIVES.—A State investigative or law enforcement officer may, if authorized by a State statute, apply to a court of competent jurisdiction of such State for an order or an extension of an order under section 3129 of this title authorizing the use of a clone pager.

''(b) CONTENTS OF APPLICATION.—An application under subsection (a) of this section shall include—

''(1) the identity of the attorney for the Government or the State law enforcement or investigative officer making the application and the identity of the law enforcement agency conducting the investigation;

''(2) the identity, if known, of the individual or individuals using the numeric display paging device to be cloned;

''(3) a description of the numeric display paging device to be cloned;

''(4) a description of the offense to which the information likely to be obtained by the clone pager relates;

''(5) the identity, if known, of the person who is subject of the criminal investigation; and

''(6) an affidavit or affidavits, sworn to before the court of competent jurisdiction, establishing probable cause to believe that information relevant to an ongoing criminal investigation being conducted by that agency will be obtained through use of the clone pager.

''§ 3129. Issuance of an order for use of a clone pager

''(a) IN GENERAL.—Upon an application made under section 3128 of this title, the court shall enter an ex parte order authorizing the use of a clone pager within the jurisdiction of the court if the court finds that the application has established probable cause to believe that information relevant to an ongoing criminal investigation being conducted by that agency will be obtained through use of the clone pager.

''(b) CONTENTS OF AN ORDER.—An order issued under this section—

''(1) shall specify—

''(A) the identity, if known, of the individual or individuals using the numeric display paging device to be cloned;

''(B) the numeric display paging device to be cloned;

''(C) the identity, if known, of the subscriber to the pager service; and

''(D) the offense to which the information likely to be obtained by the clone pager relates; and

''(2) shall direct, upon the request of the applicant, the furnishing of information, facilities, and technical assistance necessary to use the clone pager under section 3124 of this title.

''(c) TIME PERIOD AND EXTENSIONS.—

''(1) IN GENERAL.—An order issued under this section shall authorize the use of a clone pager for a period not to exceed 30 days. Such 30-day period shall begin on the earlier of the day on which the investigative or law enforcement officer first begins use of the clone pager under the order or the tenth day after the order is entered.

''(2) EXTENSIONS.—Extensions of an order issued under this section may be granted, but only upon an application for an order under section 3128 of this title and upon the judicial finding required by subsection (a). An extension under this paragraph shall be for a period not to exceed 30 days.

''(3) REPORT.—Within a reasonable time after the termination of the period of a clone pager order or any extensions thereof under this subsection, the applicant shall report to the issuing court the number of numeric pager messages acquired through the use of the clone pager during such period.

''(d) NONDISCLOSURE OF EXISTENCE OF CLONE PAGER.—An order authorizing the use of a clone pager shall direct that—

''(1) the order shall be sealed until otherwise ordered by the court; and

''(2) the person who has been ordered by the court to provide assistance to the applicant may not disclose the existence of the clone pager or the existence of the investigation to the listed subscriber, or to any other person, until otherwise ordered by the court.

''(e) NOTIFICATION.—Within a reasonable time, not later than 90 days after the date of termination of the period of a clone pager order or any extensions thereof, the issuing judge shall cause to be served, on the individual or individuals using the numeric display paging device that was cloned, an inventory including notice of—

''(1) the fact of the entry of the order or the application;

''(2) the date of the entry and the period of clone pager use authorized, or the denial of the application; and

''(3) whether or not information was obtained through the use of the clone pager. Upon an ex-parte showing of good cause, a court of competent jurisdiction may in its discretion postpone the serving of the notice required by this section.''.

(h) CLERICAL AMENDMENTS.—The table of sections for chapter 206 of title 18, United States Code, is amended—

(1) by striking the item relating to section 3121 and inserting the following:

''3121. General prohibition on pen register, trap and trace device, and clone pager use; exception.'';

(2) by striking the items relating to sections 3124, 3125, and 3126 and inserting the following:

''3124. Assistance in installation and use of a pen register, trap and trace device, or clone pager.

''3125. Emergency pen register, trap and trace device, and clone pager installation and use.

''3126. Reports concerning pen registers, trap and trace devices, and clone pagers.''; and

(3) by adding at the end the following:

''3128. Application for an order for use of a clone pager.

''3129. Issuance of an order for use of a clone pager''.

(i) CONFORMING AMENDMENT.—Section 605(a) of title 47, United States Code, is amended by striking ''chapter 119'' and inserting ''chapters 119 and 206''.

Subtitle B—Methamphetamine Laboratory Cleanup

SEC. 2101. SENSE OF CONGRESS REGARDING METHAMPHETAMINE LABORATORY CLEANUP.

(a) FINDINGS.—Congress finds that—

(1) methamphetamine use is increasing;

(2) the production of methamphetamine is increasingly taking place in laboratories located in rural and urban areas;

(3) this production involves dangerous and explosive chemicals that are dumped in an unsafe manner; and

(4) the cost of cleaning up these productionsites involves major financial burdens on State and local law enforcement agencies.

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

(1) the Administrator of the Drug Enforcement Administration should develop a comprehensive plan for addressing the need for the speedy and safe clean up of methamphetamine laboratory sites; and

(2) the Federal Government should allocate sufficient funding to pay for a comprehensive effort to clean up methamphetamine laboratory sites.

Subtitle C—Powder Cocaine Mandatory Minimum Sentencing

SEC. 2201. SENTENCING FOR VIOLATIONS INVOLVING COCAINE POWDER.

(a) AMENDMENT OF CONTROLLED SUBSTANCES ACT.—

(1) LARGE QUANTITIES.—Section 401(b)(1)(A)(ii) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(A)(ii)) is amended by striking ''5 kilograms'' and inserting ''500 grams''.

(2) SMALL QUANTITIES.—Section 401(b)(1)(B)(ii) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(B)(ii)) is amended by striking ''500 grams'' and inserting ''50 grams''.

(b) AMENDMENT OF CONTROLLED SUBSTANCES IMPORT AND EXPORT ACT.—

(1) LARGE QUANTITIES.—Section 1010(b)(1)(B) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)(1)(B)) is amended by striking ''5 kilograms'' and inserting ''500 grams''.

(2) SMALL QUANTITIES.—Section 1010(b)(2)(B) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)(2)(B)) is amended by striking ''500 grams'' and inserting ''50 grams''.

(c) AMENDMENT OF SENTENCING GUIDELINES.—Pursuant to section 994 of title 28, United States Code, the United States Sentencing Commission shall amend the Federal sentencing guidelines to reflect the amendments made by this section.

Subtitle D—Drug-Free Borders

SEC. 2301. INCREASED PENALTY FOR FALSE STATEMENT OFFENSE.

Section 542 of title 18, United States Code, is amended by striking ''two years'' and inserting ''5 years''.

SEC. 2302. INCREASED NUMBER OF BORDER PATROL AGENTS.

Section 101(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (Public Law 104–208; 110 Stat. 3009–553) is amended to read as follows:

''(a) INCREASED NUMBER OF BORDER PATROL AGENTS.—The Attorney General in each of fiscal years 2000, 2001, 2002, 2003, and 2004 shall increase by not less than 1,500 the number of positions for full-time, active-duty border patrol agents within the Immigration and Naturalization Service above the number of such positions for which funds were allotted for the preceding fiscal year, to achieve a level of 15,000 positions by fiscal year 2004.''.

SEC. 2303. ENHANCED BORDER PATROL PURSUIT POLICY.

A border patrol agent of the United States Border Patrol may not cease pursuit of an alien who the agent suspects has unlawfully entered the United States, or an individual who the agent suspects has unlawfully imported a narcotic into the United States, until State or local law enforcement authorities are in pursuit of the alien or individual and have the alien or individual in their visual range.

TITLE III—DEMAND REDUCTION

Subtitle A—Education, Prevention, and Treatment

SEC. 3001. SENSE OF CONGRESS ON REAUTHORIZATION OF SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES ACT OF 1994.

(a) FINDINGS.—Congress finds that—

(1) drug and alcohol use continue to plague the Nation's youth;

(2) approximately 5.6 percent of high school seniors currently smoke marijuana daily;

(3) the American public has identified drugs as the most serious problem facing its children today;

(4) delinquent behavior is clearly linked to the frequency of marijuana use; and

(5) 89 percent of students in grades 6 through 12 say their teachers have taught them about the dangers of drugs and alcohol.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Congress and the President should make the reauthorization of the Safe and Drug-Free Schools and Communities Act of 1994 a high priority for the 106th Congress, and that such reauthorization should maintain substance abuse prevention as a major focus of the program.

SEC. 3002. SENSE OF CONGRESS REGARDING REAUTHORIZATION OF PREVENTION AND TREATMENT PROGRAMS.

(a) FINDINGS.—Congress finds that—

(1) 34.8 percent of Americans 12 years of age and older have used an illegal drug in their lifetime and 90 percent of these individuals have used marijuana or hashish and approximately 30 percent have tried cocaine;

(2) the number of teenagers using drugs has increased significantly over the past 5 years;

(3) drug abuse is a health issue being faced in every community, town, State and region of this country;

(4) no one is immune from drug abuse, and such abuse threatens Americans of every socioeconomic background, every educational level, and every race and ethnic origin;

(5) in 1990 the United States spent $67,000,000,000 on drug-related disorders including health costs, the costs of crime, the costs of accidents and other damages to individuals and property, and the costs of the loss of productivity and premature death;

(6) comprehensive prevention activities can help youth in saying no to drugs;

(7) there are over 6,000 community coalitions throughout the Nation helping the youth of America chose a healthy life style;

(8) individuals with addictive disorders should be held accountable for their actions and should be offered treatment to help change destructive behavior;

(9) a balanced approach to dealing with drug abuse is needed in the United States between reducing the demand for drugs and the

supply of those drugs and a comprehensive plan for addressing drug abuse will involve prevention, education and treatment as well as law enforcement and interdiction; and

(10) the Substance Abuse and Mental Health Services Administration is the lead Federal agency for substance abuse prevention and treatment initiatives.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Congress and the President should—

(1) make the reauthorization of Federal substance abuse prevention and treatment programs a high priority for the 106th Congress; and

(2) provide more flexibility to States in the use of Federal funds for provision of drug abuse prevention and treatment services while holding States accountable for their performance.

SEC. 3003. REPORT ON DRUG-TESTING TECHNOLOGIES.

(a) REQUIREMENT.—The National Institute on Standards and Technology shall conduct a study of drug-testing technologies in order to identify and assess the efficacy, accuracy, and usefulness for purposes of the National effort to detect the use of illicit drugs of any drug-testing technologies (including the testing of hair) that may be used as alternatives or complements to urinalysis as a means of detecting the use of such drugs.

(b) REPORT.—Not later than 180 days after the date of enactment of this Act, the Institute shall submit to Congress a report on the results of the study conducted under subsection (a).

SEC. 3004. USE OF NATIONAL INSTITUTES OF HEALTH SUBSTANCE ABUSE RESEARCH.

(a) NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM.—Section 464H of the Public Health Service Act (42 U.S.C. 285n) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

''(d) REQUIREMENT TO ENSURE THAT RESEARCH AIDS PRACTITIONERS.—The Director, in conjunction with the Director of the National Institute on Drug Abuse and the Director of the Center for Substance Abuse Treatment, shall—

''(1) ensure that the results of all current alcohol research that is set aside for services (and other appropriate research with practical consequences) is widely disseminated to treatment practitioners in an easily understandable format;

''(2) ensure that such research results are disseminated in a manner that provides easily understandable steps for the implementation of best practices based on the research; and

''(3) make technical assistance available to the Center for Substance Abuse Treatment to assist alcohol and drug treatment practitioners to make permanent changes in treatment activities through the use of successful treatment models.''.

(b) NATIONAL INSTITUTE ON DRUG ABUSE.—Section 464L of the Public Health Service Act (42 U.S.C. 285o) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

''(d) REQUIREMENT TO ENSURE THAT RESEARCH AIDS PRACTITIONERS.—The Director, in conjunction with the Director of the National Institute on Alcohol Abuse and Alcoholism and the Director of the Center for Substance Abuse Treatment, shall—

''(1) ensure that the results of all current drug abuse research that is set aside for services (and other appropriate research with practical consequences) is widely disseminated to treatment practitioners in an easily understandable format;

''(2) ensure that such research results are disseminated in a manner that provides easily understandable steps for the implementation of best practices based on the research; and

''(3) make technical assistance available to the Center for Substance Abuse Treatment to assist alcohol and drug treatment practitioners to make permanent changes in treatment activities through the use of successful treatment models.''.

SEC. 3005. NEEDLE EXCHANGE.

(a) PROHIBITION REGARDING ILLEGAL DRUGS AND DISTRIBUTION OF HYPODERMIC NEEDLES.—Part B of title II of the Public Health Service Act (42 U.S.C. 238 et seq.) is amended by adding at the end the following section:

''PROHIBITION REGARDING ILLEGAL DRUGS AND DISTRIBUTION OF HYPODERMIC NEEDLES

''SEC. 247. Notwithstanding any other provision of law, none of the amounts made available under any Federal law for any fiscal year may be expended, directly or indirectly, to carry out any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.''.

(b) CONFORMING AMENDMENT.—Section 506 of Public Law 105–78 is repealed.

SEC. 3006. DRUG-FREE TEEN DRIVERS INCENTIVE.

(a) IN GENERAL.—The Secretary of Transportation shall establish an incentive grant program for States to assist the States in improving their laws relating to controlled substances and driving.

(b) GRANT REQUIREMENTS.—To qualify for a grant under subsection (a), a State shall carry out the following:

(1) Enact, actively enforce, and publicize a law that makes it illegal to drive in the State with any measurable amount of an illegal controlled substance in the driver's body. An illegal controlled substance is a controlled substance for which an individual does not have a legal written prescription. An individual who is convicted of such illegal driving shall be referred to appropriate services, including intervention, counselling, and treatment.

(2) Enact, actively enforce, and publicize a law that makes it illegal to drive in the State when driving is impaired by the presence of any drug. The State shall provide that in the enforcement of such law, a driver shall be tested for the presence of a drug when there is evidence of impaired driving and a driver will have the driver's license suspended. An individual who is convicted of such illegal driving shall be referred to appropriate services, including intervention, counselling, and treatment.

(3) Enact, actively enforce, and publicize a law that authorizes the suspension of a driver's license if the driver is convicted of any criminal offense relating to drugs.

(4) Enact a law that provides that beginning driver applicants and other individuals applying for or renewing a driver's license will be provided information about the laws referred to in paragraphs (1), (2), and (3) and will be required to answer drug-related questions on their applications.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $10,000,000 for each of fiscal years 2000 through 2004 to carry out this section.

SEC. 3007. DRUG-FREE SCHOOLS.

Congress finds that—

(1) the continued presence in schools of violent students who are a threat to both teachers and other students is incompatible with a safe learning environment;

(2) unsafe school environments place students who are already at risk of school failure for other reasons in further jeopardy;

(3) recently, over one-fourth of high school students surveyed reported being threatened at school;

(4) 2,000,000 more children are using drugs in 1997 than were doing so a few short years prior to 1997;

(5) more of our children are becoming involved with hard drugs at earlier ages, as use of heroin and cocaine by 8th graders has more than doubled since 1991; and

(6) greater cooperation between schools, parents, law enforcement, the courts, and the community is essential to making our schools safe from drugs and violence.

SEC. 3008. VICTIM AND WITNESS ASSISTANCE PROGRAMS FOR TEACHERS AND STUDENTS.

(a) VICTIM COMPENSATION.—Section 1403 of the Victims of Crime Act of 1984 (42 U.S.C. 10602) is amended by adding at the end the following:

''(f) VICTIMS OF SCHOOL VIOLENCE.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, an eligible crime victim compensation program may expend funds appropriated under paragraph (2) to offer compensation to elementary and secondary school students or teachers who are victims of elementary and secondary school violence (as school violence is defined under applicable State law).

''(2) FUNDING.—There is authorized to be appropriated such sums as may be necessary to carry out paragraph (1).''.

(b) VICTIM AND WITNESS ASSISTANCE.—Section 1404(c) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(c)) is amended by adding at the end the following:

''(5) ASSISTANCE FOR VICTIMS OF AND WITNESSES TO SCHOOL VIOLENCE.—Notwithstanding any other provision of law, the Director may make a grant under this section for a demonstration project or for training and technical assistance services to a program that—

''(A) assists State educational agencies and local educational agencies (as the terms are defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)) in developing, establishing, and operating programs that are designed to protect victims of and witnesses to incidents of elementary and secondary school violence (as school violence is defined under applicable State law), including programs designed to protect witnesses testifying in school disciplinary proceedings; or

''(B) supports a student safety toll-free hotline that provides students and teachers in elementary and secondary schools with confidential assistance relating to the issues of school crime, violence, drug dealing, and threats to personal safety.''.

SEC. 3009. INNOVATIVE PROGRAMS TO PROTECT TEACHERS AND STUDENTS.

(a) DEFINITIONS.—In this section:

(1) ELEMENTARY SCHOOL, LOCAL EDUCATIONAL AGENCY, SECONDARY SCHOOL, AND STATE EDUCATIONAL AGENCY.—The terms ''elementary school'', ''local educational agency'', ''secondary school'', and ''State educational agency'' have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Education.

(b) AUTHORIZATION FOR REPORT CARDS ON SCHOOLS.—

(1) IN GENERAL.—The Secretary is authorized to award grants to States, State educational agencies, and local educational agencies to develop, establish, or conduct innovative programs to improve unsafe elementary schools or secondary schools.

(2) PRIORITY.—The Secretary shall give priority to awarding grants under paragraph (1) to—

(A) programs that provide parent and teacher notification about incidents of physical violence, weapon possession, or drug activity on school grounds as soon after the incident as practicable;

(B) programs that provide to parents and teachers an annual report regarding—

(i) the total number of incidents of physical violence, weapon possession, and drug activity on school grounds;

(ii) the percentage of students missing 10 or fewer days of school; and

(iii) a comparison, if available, to previous annual reports under this paragraph, which comparison shall not involve a comparison of more than 5 such previous annual reports; and

(C) programs to enhance school security measures that may include—

(i) equipping schools with fences, closed circuit cameras, and other physical security measures;

(ii) providing increased police patrols in and around elementary schools and secondary schools, including canine patrols; and

(iii) mailings to parents at the beginning of the school year stating that the possession of a gun or other weapon, or the sale of drugs in school, will not be tolerated by school authorities.

(c) APPLICATION.—

(1) IN GENERAL.—Each State, State educational agency, or local educational agency desiring a grant under this subchapter shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require.

(2) CONTENTS.—Each application submitted under paragraph (1) shall contain an assurance that the State or agency has implemented or will implement policies that—

(A) provide protections for victims and witnesses to school crime, including protections for attendance at school disciplinary proceedings;

(B) expel students who, on school grounds, sell drugs, or who commit a violent offense that causes serious bodily injury of another student or teacher; and

(C) require referral to law enforcement authorities or juvenile authorities of any student who on school grounds—

(i) commits a violent offense resulting in serious bodily injury; or

(ii) sells drugs.

(3) SPECIAL RULE.—For purposes of subparagraphs (B) and (C) of paragraph (2), State law shall determine what constitutes a violent offense or serious bodily injury.

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

(e) INNOVATIVE VOLUNTARY RANDOM DRUG TESTING PROGRAMS.—Section 4116(b) of the Safe and Drug-Free Schools and Communities Act of 1994 (20 U.S.C. 7116(b)) is amended—

(1) in paragraph (9), by striking ''and'' after the semicolon;

(2) by redesignating paragraph (10) as paragraph (11); and

(3) by inserting after paragraph (9) the following:

''(10) innovative voluntary random drug testing programs; and''.

Subtitle B—Drug-Free Families

SEC. 3101. SHORT TITLE.

This subtitle may be cited as the ''Drug-Free Families Act of 1999''.

SEC. 3102. FINDINGS.

Congress makes the following findings:

(1) The National Institute on Drug Abuse estimates that in 1962, less than one percent of the Nation's adolescents had ever tried an illicit drug. By 1979, drug use among young people had escalated to the highest levels in history: 34 percent of adolescents (ages 12-17), 65 percent of high school seniors (age 18), and 70 percent of young adults (ages 18-25) had used an illicit drug in their lifetime.

(2) Drug use among young people was not confined to initial trials. By 1979, 16 percent of adolescents, 39 percent of high school seniors, and 38 percent of young adults had used an illicit drug in the past month. Moreover, one in nine high school seniors used marijuana daily.

(3) In 1979, the year the largest number of seniors used marijuana, their belief that marijuana could hurt them was at its lowest (35 percent) since surveys have tracked these measures.

(4) Three forces appeared to be driving this escalation in drug use among children and young adults. Between 1972 and 1978, a nationwide political campaign conducted by drug legalization advocates persuaded eleven state legislatures to ''decriminalize'' marijuana. (Many of those states have subsequently ''recriminalized'' the drug.) Such legislative action reinforced advocates' assertion that marijuana was ''relatively harmless.''

(5) The decriminalization effort gave rise to the emergence of ''head shops'' (shops for ''heads,'' or drug users—''coke heads,'' ''pot heads,'' ''acid heads,'' etc.) which sold drug paraphernalia—an array of toys, implements, and instructional pamphlets and booklets to enhance the use of illicit drugs. Some 30,000 such shops were estimated to be doing business throughout the Nation by 1978.

(6) In the absence of Federal funding for drug education then, most of the drug education materials that were available proclaimed that few illicit drugs were addictive and most were ''less harmful'' than alcohol and tobacco and therefore taught young people how to use marijuana, cocaine, and other illicit drugs ''responsibly''.

(7) Between 1977 and 1980, three national parent drug-prevention organizations—National Families in Action, PRIDE, and the National Federation of Parents for Drug-Free Youth (now called the National Family Partnership)—emerged to help concerned parents form some 4,000 local parent prevention groups across the Nation to reverse all of these trends in order to prevent children from using drugs. Their work created what has come to be known as the parents drug-prevention movement, or more simply, the parent movement. This movement set three goals: to prevent the use of any illegal drug, to persuade those who had started using drugs to stop, and to obtain treatment for those who had become addicted so that they could return to drug-free lives.

(8) The parent movement pursued a number of objectives to achieve these goals. First, it helped parents educate themselves about the harmful effects of drugs, teach that information to their children, communicate that they expected their children not to use drugs, and establish consequences if children failed to meet that expectation. Second, it helped parents form groups with other parents to set common age-appropriate social and behavioral guidelines to protect their children from exposure to drugs. Third, it encouraged parents to insist that their communities reinforce parents' commitment to protect children from drug use.

(9) The parent movement stopped further efforts to decriminalize marijuana, both in the states and at the Federal level.

(10) The parent movement worked for laws to ban the sale of drug paraphernalia. If drugs were illegal, it made no sense to condone the sale of toys and implements to enhance the use of illegal drugs, particularly when those products targeted children. As town, cities, counties, and states passed anti-paraphernalia laws, drug legalization organizations challenged their Constitutionality in Federal courts until the early 1980's, when the United States Supreme Court upheld Nebraska's law and established the right of communities to ban the sale of drug paraphernalia.

(11) The parent movement insisted that drug-education materials convey a strong no-use message in compliance with both the law and with medical and scientific information that demonstrates that drugs are harmful, particularly to young people.

(12) The parent movement encouraged others in society to join the drug prevention effort and many did, from First Lady Nancy Reagan to the entertainment industry, the business community, the media, the medical community, the educational community, the criminal justice community, the faith community, and local, State, and national political leaders.

(13) The parent movement helped to cause drug use among young people to peak in 1979. As its efforts continued throughout the next decade, and as others joined parents to expand the drug-prevention movement, between 1979 and 1992 these collaborative prevention efforts contributed to reducing monthly illicit drug use by two-thirds among adolescents and young adults and reduced daily marijuana use among high-school seniors from 10.7 percent to 1.9 percent. Concurrently, both the parent movement and the larger prevention movement that evolved throughout the 1980's, working together, increased high school seniors' belief that marijuana could hurt them, from 35 percent in 1979 to 79 percent in 1991.

(14) Unfortunately, as drug use declined, most of the 4,000 volunteer parents groups that contributed to the reduction in drug use disbanded, having accomplished the job they set out to do. But the absence of active parent groups left a vacuum that was soon filled by a revitalized drug-legalization movement. Proponents began advocating for the legalization of marijuana for medicine, the legalization of all Schedule I drugs for medicine, the legalization of hemp for medicinal, industrial and recreational use, and a variety of other proposals, all designed to ultimately attack, weaken, and eventually repeal the Nation's drug laws.

(15) Furthermore, legalization proponents are also beginning to advocate for treatment that maintains addicts on the drugs to which they are addicted (heroin maintenance for heroin addicts, controlled drinking for alcoholics, etc.), for teaching school children to use drugs ''responsibly,'' and for other measures similar to those that produced the drug epidemic among young people in the 1970's.

(16) During the 1990's, the message embodied in all of this activity has once again driven down young people's belief that drugs can hurt them. As a result, the reductions in drug use that occurred over 13 years reversed in 1992, and adolescent drug use has more than doubled.

(17) Today's parents are almost universally in the workplace and do not have time to volunteer. Many families are headed by single parents. In some families no parents are available, and grandparents, aunts, uncles, or foster parents are raising the family's children.

(18) Recognizing that these challenges make it much more difficult to reach parents today, several national parent and family drug-prevention organizations have formed the Parent Collaboration to address these issues in order to build a new parent and family movement to prevent drug use among children.

(19) Motivating parents and parent groups to coordinate with local community anti-

drug coalitions is a key goal of the Parent Collaboration, as well as coordinating parent and family drug-prevention efforts with Federal, State, and local governmental and private agencies and political, business, medical and scientific, educational, criminal justice, religious, and media and entertainment industry leaders.

SEC. 3103. PURPOSES.

The purposes of this subtitle are to—

(1) build a movement to help parents and families prevent drug use among their children and adolescents;

(2) help parents and families reduce drug abuse and drug addiction among adolescents who are already using drugs, and return them to drug-free lives;

(3) increase young people's perception that drugs are harmful to their health, well-being, and ability to function successfully in life;

(4) help parents and families educate society that the best way to protect children from drug use and all of its related problems is to convey a clear, consistent, no-use message;

(5) strengthen coordination, cooperation, and collaboration between parents and families and all others who are interested in protecting children from drug use and all of its related problems;

(6) help parents strengthen their families, neighborhoods, and school communities to reduce risk factors and increase protective factors to ensure the healthy growth of children; and

(7) provide resources in the fiscal year 2000 Federal drug control budget for a grant to the Parent Collaboration to conduct a national campaign to mobilize today's parents and families through the provision of information, training, technical assistance, and other services to help parents and families prevent drug use among their children and to build a new parent and family drug-prevention movement.

SEC. 3104. DEFINITIONS.

In this subtitle:

(1) ADMINISTRATIVE COSTS.—The term ''administrative costs'' means to those costs that the assigned Federal agency will incur to administer the grant to the Parent Collaboration.

(2) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Drug Enforcement Administration.

(3) NO-USE MESSAGE.—The term ''no-use message'' means no use of any illegal drug and no illegal use of any legal drug or substance that is sometimes used illegally, such as prescription drugs, inhalants, and alcohol and tobacco for children and adolescents under the legal purchase age.

(4) PARENT COLLABORATION.—The term ''Parent Collaboration'' means the legal entity, which is exempt from income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, established by National Families in Action, National Asian Pacific American Families Against Substance Abuse, African American Parents for Drug Prevention, National Association for Native American Children of Alcoholics, and the National Hispano/Latino Community Prevention Network and other groups, that—

(A) have a primary mission of helping parents prevent drug use, drug abuse, and drug addiction among their children, their families, and their communities;

(B) have carried out this mission for a minimum of 5 consecutive years; and

(C) base their drug-prevention missions on the foundation of a strong, no-use message in compliance with international, Federal, State, and local treaties and laws that prohibit the possession, production, cultivation, distribution, sale, and trafficking in illicit drugs;

in order to build a new parent and family movement to prevent drug use among children and adolescents

SEC. 3105. ESTABLISHMENT OF DRUG-FREE FAMILIES SUPPORT PROGRAM.

(a) IN GENERAL.—The Administrator shall make a grant to the Parent Collaboration to conduct a national campaign to build a new parent and family movement to help parents and families prevent drug abuse among their children.

(b) TERMINATION.—The period of this grant under this section shall be 5 years.

SEC. 3106. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to to carry out this subtitle $5,000,000 for each of fiscal years 2000 through 2004 for a grant to the Parent Collaboration to conduct the national campaign to mobilize parents and families.

(b) ADMINISTRATIVE COSTS.—Not more than 5 percent of the total amount made available under subsection (a) in each fiscal year may be used to pay administrative costs of the Parent Collaboration.

TITLE IV—FUNDING FOR UNITED STATES COUNTER-DRUG ENFORCEMENT AGENCIES

SEC. 4001. AUTHORIZATION OF APPROPRIATIONS.

(a) DRUG ENFORCEMENT AND OTHER NON-COMMERCIAL OPERATIONS.—Subparagraphs (A) and (B) of section 301(b)(1) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A) and (B)) are amended to read as follows:

''(A) $997,300,584 for fiscal year 2000.

''(B) $1,100,818,328 for fiscal year 2001.''.

(b) COMMERCIAL OPERATIONS.—Clauses (i) and (ii) of section 301(b)(2)(A) of such Act (19 U.S.C. 2075(b)(2)(A)(i) and (ii)) are amended to read as follows:

''(i) $990,030,000 for fiscal year 2000.

''(ii) $1,009,312,000 for fiscal year 2001.''.

(c) AIR AND MARINE INTERDICTION.—Subparagraphs (A) and (B) of section 301(b)(3) of such Act (19 U.S.C. 2075(b)(3)(A) and (B)) are amended to read as follows:

''(A) $229,001,000 for fiscal year 2000.

''(B) $176,967,000 for fiscal year 2001.''.

(d) SUBMISSION OF OUT-YEAR BUDGET PROJECTIONS.—Section 301(a) of such Act (19 U.S.C. 2075(a)) is amended by adding at the end the following:

''(3) Not later than the date on which the President submits to Congress the budget of the United States Government for a fiscal year, the Commissioner of Customs shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the projected amount of funds for the succeeding fiscal year that will be necessary for the operations of the Customs Service as provided for in subsection (b).''.

SEC. 4002. CARGO INSPECTION AND NARCOTICS DETECTION EQUIPMENT.

(a) FISCAL YEAR 2000.—Of the amounts made available for fiscal year 2000 under section 301(b)(1)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A)), as amended by section 4001(a) of this title, $100,036,000 shall be available until expended for acquisition and other expenses associated with implementation and deployment of narcotics detection equipment along the United States-Mexico border, the United States-Canada border, and Florida and the Gulf Coast seaports, as follows:

(1) UNITED STATES-MEXICO BORDER.—For the United States-Mexico border, the following:

(A) $6,000,000 for 8 Vehicle and Container Inspection Systems (VACIS).

(B) $11,000,000 for 5 mobile truck x-rays with transmission and backscatter imaging.

(C) $12,000,000 for the upgrade of 8 fixed-site truck x-rays from the present energy level of 450,000 electron volts to 1,000,000 electron volts (1–MeV).

(D) $7,200,000 for 8 1–MeV pallet x-rays.

(E) $1,000,000 for 200 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(F) $600,000 for 50 contraband detection kits to be distributed among all southwest border ports based on traffic volume.

(G) $500,000 for 25 ultrasonic container inspection units to be distributed among all ports receiving liquid-filled cargo and to ports with a hazardous material inspection facility.

(H) $2,450,000 for 7 automated targeting systems.

(I) $360,000 for 30 rapid tire deflator systems to be distributed to those ports where port runners are a threat.

(J) $480,000 for 20 portable Treasury Enforcement Communications Systems (TECS) terminals to be moved among ports as needed.

(K) $1,000,000 for 20 remote watch surveillance camera systems at ports where there are suspicious activities at loading docks, vehicle queues, secondary inspection lanes, or areas where visual surveillance or observation is obscured.

(L) $1,254,000 for 57 weigh-in-motion sensors to be distributed among the ports with the greatest volume of outbound traffic.

(M) $180,000 for 36 AM traffic information radio stations, with 1 station to be located at each border crossing.

(N) $1,040,000 for 260 inbound vehicle counters to be installed at every inbound vehicle lane.

(O) $950,000 for 38 spotter camera systems to counter the surveillance of customs inspection activities by persons outside the boundaries of ports where such surveillance activities are occurring.

(P) $390,000 for 60 inbound commercial truck transponders to be distributed to all ports of entry.

(Q) $1,600,000 for 40 narcotics vapor and particle detectors to be distributed to each border crossing.

(R) $400,000 for license plate reader automatic targeting software to be installed at each port to target inbound vehicles.

(S) $1,000,000 for a demonstration site for a high-energy relocatable rail car inspection system with an x-ray source switchable from 2,000,000 electron volts (2–MeV) to 6,000,000 electron volts (6–MeV) at a shared Department of Defense testing facility for a two-month testing period.

(2) UNITED STATES-CANADA BORDER.—For the United States-Canada border, the following:

(A) $3,000,000 for 4 Vehicle and Container Inspection Systems (VACIS).

(B) $8,800,000 for 4 mobile truck x-rays with transmission and backscatter imaging.

(C) $3,600,000 for 4 1–MeV pallet x-rays.

(D) $250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(E) $300,000 for 25 contraband detection kits to be distributed among ports based on traffic volume.

(F) $240,000 for 10 portable Treasury Enforcement Communications Systems (TECS) terminals to be moved among ports as needed.

(G) $400,000 for 10 narcotics vapor and particle detectors to be distributed to each border crossing based on traffic volume.

(H) $600,000 for 30 fiber optic scopes.

(I) $250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(J) $3,000,000 for 10 x-ray vans with particle detectors.

(K) $40,000 for 8 AM loop radio systems.

(L) $400,000 for 100 vehicle counters.

(M) $1,200,000 for 12 examination tool trucks.

(N) $2,400,000 for 3 dedicated commuter lanes.

(O) $1,050,000 for 3 automated targeting systems.

(P) $572,000 for 26 weigh-in-motion sensors.

(Q) $480,000 for 20 portable Treasury Enforcement Communication Systems (TECS).

(3) FLORIDA AND GULF COAST SEAPORTS.—For Florida and the Gulf Coast seaports, the following:

(A) $4,500,000 for 6 Vehicle and Container Inspection Systems (VACIS).

(B) $11,800,000 for 5 mobile truck x-rays with transmission and backscatter imaging.

(C) $7,200,000 for 8 1–MeV pallet x-rays.

(D) $250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(E) $300,000 for 25 contraband detection kits to be distributed among ports based on traffic volume.

(b) FISCAL YEAR 2001.—Of the amounts made available for fiscal year 2001 under section 301(b)(1)(B) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(B)), as amended by section 4001(a) of this title, $9,923,500 shall be for the maintenance and support of the equipment and training of personnel to maintain and support the equipment described in subsection (a).

(c) ACQUISITION OF TECHNOLOGICALLY SUPERIOR EQUIPMENT; TRANSFER OF FUNDS.—

(1) IN GENERAL.—The Commissioner of Customs may use amounts made available for fiscal year 2000 under section 301(b)(1)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A)), as amended by section 4001(a) of this title, for the acquisition of equipment other than the equipment described in subsection (a) if such other equipment—

(A)(i) is technologically superior to the equipment described in subsection (a); and

(ii) will achieve at least the same results at a cost that is the same or less than the equipment described in subsection (a); or

(B) can be obtained at a lower cost than the equipment described in subsection (a).

(2) TRANSFER OF FUNDS.—Notwithstanding any other provision of this section, the Commissioner of Customs may reallocate an amount not to exceed 10 percent of—

(A) the amount specified in any of subparagraphs (A) through (R) of subsection (a)(1) for equipment specified in any other of such subparagraphs (A) through (R);

(B) the amount specified in any of subparagraphs (A) through (Q) of subsection (a)(2) for equipment specified in any other of such subparagraphs (A) through (Q); and

(C) the amount specified in any of subparagraphs (A) through (E) of subsection (a)(3) for equipment specified in any other of such subparagraphs (A) through (E).

SEC. 4003. PEAK HOURS AND INVESTIGATIVE RESOURCE ENHANCEMENT.

Of the amounts made available for fiscal years 2000 and 2001 under subparagraphs (A) and (B) of section 301(b)(1) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A) and (B)), as amended by section 4001(a) of this title, $159,557,000, including $5,673,600, until expended, for investigative equipment, for fiscal year 2000 and $220,351,000 for fiscal year 2001 shall be available for the following:

(1) A net increase of 535 inspectors, 120 special agents, and 10 intelligence analysts for the United States-Mexico border and 375 inspectors for the United States-Canada border, in order to open all primary lanes on such borders during peak hours and enhance investigative resources.

(2) A net increase of 285 inspectors and canine enforcement officers to be distributed at large cargo facilities as needed to process and screen cargo (including rail cargo) and reduce commercial waiting times on the United States-Mexico border and a net increase of 125 inspectors to be distributed at large cargo facilities as needed to process and screen cargo (including rail cargo) and reduce commercial waiting times on the United States-Canada border.

(3) A net increase of 40 inspectors at sea ports in southeast Florida to process and screen cargo.

(4) A net increase of 70 special agent positions, 23 intelligence analyst positions, 9 support staff, and the necessary equipment to enhance investigation efforts targeted at internal conspiracies at the Nation's seaports.

(5) A net increase of 360 special agents, 30 intelligence analysts, and additional resources to be distributed among offices that have jurisdiction over major metropolitan drug or narcotics distribution and transportation centers for intensification of efforts against drug smuggling and money laundering organizations.

(6) A net increase of 2 special agent positions to re-establish a Customs Attache office in Nassau.

(7) A net increase of 62 special agent positions and 8 intelligence analyst positions for maritime smuggling investigations and interdiction operations.

(8) A net increase of 50 positions and additional resources to the Office of Internal Affairs to enhance investigative resources for anticorruption efforts.

(9) The costs incurred as a result of the increase in personnel hired pursuant to this section.

SEC. 4004. AIR AND MARINE OPERATION AND MAINTENANCE FUNDING.

(a) FISCAL YEAR 2000.—Of the amounts made available for fiscal year 2000 under subparagraphs (A) and (B) of section 301(b)(3) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(3) (A) and (B)) as amended by section 4001(c) of this title, $130,513,000 shall be available until expended for the following:

(1) $96,500,000 for Customs aircraft restoration and replacement initiative.

(2) $15,000,000 for increased air interdiction and investigative support activities.

(3) $19,013,000 for marine vessel replacement and related equipment.

(b) FISCAL YEAR 2001.—Of the amounts made available for fiscal year 2001 under subparagraphs (A) and (B) of section 301(b)(3) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(3) (A) and (B)) as amended by section 4001(c) of this title, $75,524,000 shall be available until expended for the following:

(1) $36,500,000 for Customs Service aircraft restoration and replacement.

(2) $15,000,000 for increased air interdiction and investigative support activities.

(3) $24,024,000 for marine vessel replacement and related equipment.

SEC. 4005. COMPLIANCE WITH PERFORMANCE PLAN REQUIREMENTS.

As part of the annual performance plan for each of the fiscal years 2000 and 2001 covering each program activity set forth in the budget of the United States Customs Service, as required under section 1115 of title 31, United States Code, the Commissioner of Customs shall establish performance goals and performance indicators, and comply with all other requirements contained in paragraphs (1) through (6) of subsection (a) of such section with respect to each of the activities to be carried out pursuant to sections 1002 and 1003 of this title.

SEC. 4006. COMMISSIONER OF CUSTOMS SALARY.

(a) IN GENERAL.—

(1) Section 5315 of title 5, United States Code, is amended by striking the following item:

''Commissioner of Customs, Department of Treasury.''.

(2) Section 5314 of title 5, United States Code, is amended by inserting the following item:

''Commissioner of Customs, Department of Treasury.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to fiscal year 2000 and thereafter.

SEC. 4007. PASSENGER PRECLEARANCE SERVICES.

(a) CONTINUATION OF PRECLEARANCE SERVICES.—Notwithstanding section 13031(f) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(f)) or any other provision of law, the Customs Service shall, without regard to whether a passenger processing fee is collected from a person departing for the United States from Canada and without regard to whether funds are appropriated pursuant to subsection (b), provide the same level of enhanced preclearance customs services for passengers arriving in the United States aboard commercial aircraft originating in Canada as the Customs Service provided for such passengers during fiscal year 1997.

(b) AUTHORIZATION OF APPROPRIATIONS FOR PRECLEARANCE SERVICES.—Notwithstanding section 13031(f) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(f)) or any other provision of law, there are authorized to be appropriated, from the date of enactment of this Act through September 30, 2001, such sums as may be necessary for the Customs Service to ensure that it will continue to provide the same, and where necessary increased, levels of enhanced preclearance customs services as the Customs Service provided during fiscal year 1997, in connection with the arrival in the United States of passengers aboard commercial aircraft whose flights originated in Canada.

Subtitle B—United States Coast Guard

SEC. 4101. ADDITIONAL FUNDING FOR OPERATION AND MAINTENANCE.

In addition to amounts to be appropriated for the United States Coast Guard for fiscal year 2000, there is authorized to be appropriated $100,000,000 for each of fiscal years 2000 and 2001 for operation and maintenance.

Subtitle C—Drug Enforcement Administration

SEC. 4201. ADDITIONAL FUNDING FOR COUNTERNARCOTICS AND INFORMATION SUPPORT OPERATIONS.

In addition to amounts to be appropriated for the Drug Enforcement Administration for fiscal year 2000, there is authorized to be appropriated $120,000,000 for fiscal year 2000 for counternarcotics and information support operations.

Subtitle D—Department of the Treasury

SEC. 4301. ADDITIONAL FUNDING FOR COUNTERDRUG INFORMATION SUPPORT.

In addition to the other amounts to be appropriated for the Department of the Treasury for fiscal year 2000, there is authorized to be appropriated $50,000,000 for each of the fiscal years 2000 and 2001 for counternarcotics, information support, and money laundering efforts.

Subtitle E—Department of Defense

SEC. 4401. ADDITIONAL FUNDING FOR EXPANSION OF COUNTERNARCOTICS ACTIVITIES.

In addition to other amounts to be appropriated for the Department of Defense for fiscal year 2000, there is authorized to be appropriated $200,000,000 for each of fiscal years

2000 and 2001 to be used to expand activities to stop the flow of illegal drugs into the United States.

SEC. 4402. FORWARD MILITARY BASE FOR COUNTERNARCOTICS MATTERS.

(a) The Secretary of the Air Force may acquire real property and carry out military construction projects in the amount of $300,000,000 to establish an air base, or air bases for use for support of counternarcotics operations in the areas of the southern Caribbean Sea, northern South America, and the eastern Pacific Ocean, to be located in Latin America or the area of the Caribbean Sea, or both.

(b) There is authorized to be appropriated such sums as may be necessary for fiscal year 2000, and any succeeding fiscal year, for military construction and land acquisition for an airbase referred to subsection (a).

SEC. 4403. EXPANSION OF RADAR COVERAGE AND OPERATION IN SOURCE AND TRANSIT COUNTRIES.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Department of Defense for fiscal year 2000, $100,000,000 for purposes of the procurement of a Relocatable Over the Horizon Radar (ROTHR) to be located in South America.

(b) AUTHORIZATION TO LOCATE.—The Relocatable Over the Horizon Radar procured pursuant to the authorization of appropriations in subsection (a) may be located at a location in South America that is suitable for purposes of providing enhanced radar coverage of narcotics source zone countries in South America.

SEC. 4404. SENSE OF CONGRESS REGARDING FUNDING UNDER WESTERN HEMISPHERE DRUG ELIMINATION ACT.

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

(1) Teenage drug use in the United States has doubled since 1993.

(2) The drug crisis facing the United States poses a paramount threat to the national security interests of the United States.

(3) The trans-shipment of illicit drugs through United States borders cannot be halted without an effective drug interdiction strategy.

(4) The Clinton Administration has placed a low priority on efforts to reduce the supply of illicit drugs, and the seizure of such drugs by the Coast Guard and other Federal agencies has decreased, as is evidenced by a 68 percent decrease in the pounds of cocaine seized by such agencies between 1991 and 1996.

(5) The Western Hemisphere Drug Elimination Act was enacted into law on October 19, 1998.

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

(1) the President should allocate funds appropriated for fiscal year 1999 pursuant to the authorizations of appropriations for that fiscal year in the Western Hemisphere Drug Elimination Act in order to carry out fully the purposes of that Act during that fiscal year; and

(2) the President should include with the budgets for fiscal years 2000 and 2001 that are submitted to Congress under section 1105 of title 31, United States Code, a request for funds for such fiscal years in accordance with the authorizations of appropriations for such fiscal years in that Act.

SEC. 4405. SENSE OF CONGRESS REGARDING THE PRIORITY OF THE DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES OF THE DEPARTMENT OF DEFENSE.

It is the sense of Congress that the Secretary of Defense should revise the Global Military Force Policy of the Department of Defense in order—

(1) to treat the international drug interdiction and counterdrug activities of the Department as a military operation other than war, thereby elevating the priority given such activities under the Policy to the next priority below the priority given to war under the Policy and to the same priority given to peacekeeping operations under the Policy; and

(2) to allocate the assets of the Department to such activities in accordance with the priority given such activities under the revised Policy.

Mr. GRASSLEY. Mr. President, the most recent High School survey of teen drug use tells us something. After years of dramatic increases in drug use among 12–18 years old, we may have a leveling off. The numbers are down, but only barely. At this rate of decline, we will reach the modest goals for drug reduction set by the present Administration in the year 2050. The Administration seems to find this good news. At least, they find the present leveling off something to crow about. Frankly, I think these numbers are the occasion for a little more modesty and whole lot more work.

That's what the Congress has been doing. The 105th Congress passed major legislation to fight drugs. It put more money and more muscle into efforts that the Administration has ignored or downgraded. We did this because we saw the consequences—more teen drug use. Today, we continue that effort. Our goal is not to claim bragging rights about statistically minor changes but to make real changes through serious efforts. Today, we introduced the ''Drug Free Century Act.'' This is a comprehensive bill that will be one of the main agenda items for the 106th Congress. It gives us the means to build on what we did last Congress. It gives us the beef that the Administration has left out to put in the sandwich.

More important, this bill provides resources to sustain a comprehensive effort and a coherent policy. In this bill, we provide the means to support our national and international law enforcement efforts. We provide the resources to help families and communities get and remain drug free. We support treatment and education. In short, we build on success and extend our ability to do yet more.

This bill represents the kind of comprehensive approach that I have pushed for. It gives us the tools to do the job. More important, it provides the focus and sustained attention that we need to do the job. We have a lot of work ahead of us. It is not going to be easy. But we will be better equipped and more able to do the job.

By Mr. DASCHLE (for himself, Mr. KENNEDY, Mrs. BOXER, Mr. DODD, Mr. DORGAN, Mr. EDWARDS, Mr. CLELAND, Mr. REID, Mr. DURBIN, Mrs. MURRAY, Mr. AKAKA, Mr. WYDEN, Mr. HARKIN, Ms. MIKULSKI, Mr. LEAHY, Mr. REED, Mr. SARBANES, Mr. WELLSTONE, Mrs. FEINSTEIN, Mr. BYRD, Mr. ROCKEFELLER, Mr. KERRY, Mr. TORRICELLI, Mr. BINGAMAN, and Mr. BRYAN):

S. 6. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to protect consumers in managed care plans and other health coverage; to the Committee on Health, Education, Labor, and Pensions.

THE PATIENTS' BILL OF RIGHTS

Mr. KENNEDY. Mr. President, today, we renew the battle in Congress to enact a strong Patients' Bill of Rights to protect American families from abuses by HMOs and managed care health plans that too often put profits over patients' needs.

Our Patients' Bill of Rights will protect families against the arbitrary and self-serving decisions that can rob average citizens of their savings and their peace of mind, and often their health and their very lives. Doctors and patients should be making medical decisions, not insurance company accountants. Too often, managed care is mismanaged care. For the millions of Americans who rely on health insurance to protect them and their loved ones when serious illness strikes, the Patients Bill of Rights is truly a matter of life and death.

The dishonor roll of those victimized by insurance company abuses is long and growing.

A baby loses his hands and feet because his parents believe they have to take him to a distant hospital emergency room covered by their HMO, rather than to the hospital closest to their home.

A Senate aide suffers a devastating stroke, which might have been far milder if her HMO had not refused to send her to an emergency room. The HMO now even refuses to pay for her wheelchair.

A woman is forced to undergo a mastectomy as an outpatient, instead of with a hospital stay as her doctor recommends. She is sent home in pain, with tubes still dangling from her body.

A doctor is punished by being denied future referrals under a managed care health plan, because he told a patient about an expensive treatment that could save her life.

The parents of a child suffering from a rare cancer are told that life-saving surgery should be performed by an unqualified doctor who happens to be on the plan's list, rather than by a specialist at the nearby cancer center equipped to perform the operation.

A patient with a fatal cancer is denied participation in a clinical trial that could save her life.

Our Patients' Bill of Rights addresses all of these problems. It takes insurance company accountants out of the practice of medicine and returns decision-making to patients and doctors, where it belongs.

The bottom line is that our program guarantees people the rights that every

honorable insurance company already grants—and provides an effective, timely means to enforce these rights. These protections are common-sense components of good health care that every family believes they were promised when they purchased health insurance and paid their premiums.

Virtually all of the patients' protections in this legislation are already available under Medicare. They have been recommended by the National Association of Insurance Commissioners and the President's Advisory Commission. They have even been proposed as voluntary standards by the managed care industry itself through its trade association.

Our Patients' Bill of Rights is a responsible and effective answer to the widespread problems that patients and their families face every day. It is supported by a broad and diverse coalition of doctors, nurses, patients, and advocates for children, women, and working families, including the American Medical Association, the Consortium of Citizens with Disabilities, the American Cancer Society, the American Heart Association, the National Alliance for the Mentally Ill, the National Partnership for Women and Families, the National Association of Children's Hospitals, and the AFL–CIO, to name just a few of the more than 180 groups endorsing our bill.

It is rare for such a broad and diverse coalition to come together in support of legislation. But they have done so to end these flagrant abuses that hurt so many families.

Every family in this country knows that it will some day have to confront the challenge of serious illness for a parent, or a grandparent, or a child. When that day comes, all of us want the best possible medical care for our loved ones. Members of the Senate deserve good medical care for their loved ones—and we generally get it. Every other family is equally deserving of high quality care—but too often they do not get it because their insurance plan is more interested in profits than patients.

The Patients' Bill of Rights provides simple justice and basic protection for each of the 160 million Americans with private insurance who will benefit from this legislation. We will continue to fight for meaningful patient protections until they are signed into law. We will not give up this struggle until every family can be confident that a child or parent or grandparent who is ill will receive the best care that American medicine can provide.

By Mr. DASCHLE (for himself, Mr. LEAHY, Mr. BIDEN, Mr. KENNEDY, Mr. TORRICELLI, Mr. SCHUMER, Mr. DORGAN, Mr. KERRY, Mr. LAUTENBERG, Ms. MIKULSKI, Mr. BREAUX, Mr. DURBIN, and Mr. BINGAMAN):

S. 9. A bill to combat violent and gang-related crime in schools and on the streets, to reform the juvenile justice system, target international crime, promote effective drug and other crime prevention programs, assist crime victims, and for other purposes; to the Committee on the Judiciary.

THE SAFE SCHOOLS, SAFE STREETS, AND SECURE BORDERS ACT OF 1999

Mr. LEAHY. Mr. President, in September 1998, I introduced, with the support of Senator DASCHLE and several other Democratic Senators, a comprehensive crime bill, S. 2484, and am pleased today to join in introducing an updated version of that bill, the Safe Schools, Safe Streets, and Secure Borders Act of 1999. A number of provisions from S. 2484 were enacted last year and it is my hope that this new bill, S. 9, will have similar success.

The Safe Schools, Safe Streets, and Secure Borders Act of 1999, S. 9, is designed to keep our Nation's crime rates moving in the right direction—downward. This bill builds on prior Democratic crime initiatives, including the landmark Violent Crime Control and Law Enforcement Act of 1994, that have reduced violent crime rates by 21 percent over the past five years. Property crime rates have also fallen by more than 20 percent since 1993. The Nation's serious crime rates are now at their lowest level since 1973, the first year the national crime victimization survey was conducted. We are proud of the significant reduction in crime rates, but we must not become complacent. Too many Americans still encounter violence in their neighborhoods, workplaces, and unfortunately, even in their homes. This bill would ensure that the crime rates continue their downward trend next year, the year after, and beyond.

The Safe Schools, Safe Streets, and Secure Borders Act builds on the successful programs we implemented in the 1994 Crime Law while also addressing emerging crime problems. The bill is comprehensive and realistic. The new program initiatives are also funded without downsizing other Federal programs or touching any projected Federal budget surplus, but instead by extending the Violent Crime Reduction Trust Fund for two more years.

I am optimistic that we can enact this bill, without partisan or ideological controversy. In fact, the bill contains a number of initiatives that enjoy bipartisan support. We have tried to avoid the easy rhetoric about crime that some have to offer in this crucial area of public policy. Instead, we have crafted a bill that could actually make a difference.

The Safe Schools, Safe Streets, and Secure Borders Act targets violent crime in our schools, reforms the juvenile justice system, combats gang violence, cracks down on the sale and use of illegal drugs, enhances the rights of crime victims, and provides meaningful assistance to law enforcement officers in the battle against street crime, international crime and terrorism. It also authorizes funding to deploy 25,000 additional police officers on the streets in the coming years. The Act represents an important next step in the continuing effort by Senate Democrats to enact tough yet balanced reforms to our criminal justice system.

The bill has nine comprehensive titles to address crime in our schools, crime on our streets, and crime on our borders and abroad. I should note that the bill contains no new death penalties and no new or increased mandatory minimum sentences. We can be tough without imposing the death penalty, and we can ensure swift and certain punishment without removing all discretion from the judge at sentencing.

Title I of the bill deals with proposals for combating violence in the schools and punishing juvenile crime. This title provides technical assistance to schools, reforms the Federal juvenile system, assists States in prosecuting and punishing juvenile offenders and reduces juvenile crime, while also protecting children from violence, including violence from the misuse of guns.

Assistance to Schools. Americans were dismayed and grief-stricken at the school shootings across the country last year. While homicides at American schools have remained relatively constant in recent years, the number of students who have experienced a violent crime in school increased 23 percent in 1995 compared to 1989. We need to make sure our children attend school in a safe environment that fosters learning, not fear.

In response to these concerns, this bill contains an inventive proposal developed by Senator BINGAMAN to establish a School Security Technology Center using expertise from the Sandia National Labs, and provides grants from the Safe and Drug Free Schools Program to enable schools to access technical assistance for school security.

Federal Prosecution of Serious and Violent Juvenile Offenders. The bill would also make important reforms to the Federal juvenile system, without federalizing run-of-the-mill juvenile offenses or ignoring the traditional prerogative of the States to handle the bulk of juvenile crime. One of the significant flaws in the Republican juvenile crime bills last year was that they would have—in the words of Chief Justice Rehnquist—''eviscerate[d] this traditional deference to State prosecutions, thereby increasing substantially the potential workload of the federal judiciary.'' The Chief Justice has repeatedly raised concerns about ''federalizing'' more crimes and in his 1998 Year-End Report of the Federal Judiciary noted that ''Federal courts were not created to adjudicate local crimes, no matter how sensational or heinous the crimes may be. State courts do, can, and should handle such problems.'' The Democratic proposals for reform of the Federal juvenile justice system heed this sound advice and respect our Federal system.

Among other reforms, the Safe Schools, Safe Streets, and Secure Borders Act would allow Federal prosecution of juveniles only when the Attorney General certifies that the State cannot or will not exercise jurisdiction, or when the juvenile is alleged to have committed a violent, drug or firearm offense.

Prosecutors would be given sole, nonreviewable authority to prosecute as adults 16- and 17-year-olds who are alleged to have committed the most serious violent and drug offenses. Limited judicial review is provided for prosecutors' decisions to try as adults 13-, 14-, and 15-year-old juveniles, and those 16- and 17-year-olds who are charged with less serious Federal offenses.

Assistance to States for Prosecuting and Punishing Juvenile Offenders, and Reducing Juvenile Crime. The bill authorizes grants to the States for incarcerating violent and chronic juvenile offenders (with each qualifying State getting at least one percent of available funds), and provides graduated sanctions, reimburses States for the cost of incarcerating juvenile alien offenders, and establishes a pilot program to replicate successful juvenile crime reduction strategies.

Protecting Children from Violence. The bill contains important initiatives to protect children from violence, including violence resulting from the misuse of guns. Americans want concrete proposals to reduce the risk of such incidents recurring. At the same time, we must preserve adults' rights to use guns for legitimate purposes, such as home protection, hunting and for sport.

The bill imposes a prospective gun ban for juveniles convicted or adjudicated delinquent for violent crimes. It also requires revocation of a firearms dealer's license for failing to have secure gun storage or safety devices available for sale with firearms. The bill enhances the penalty for possessing a firearm during the commission of a crime of violence or drug offense and for violation of certain firearm laws involving juveniles. In addition, the bill authorizes competitive grant programs for the establishment of juvenile gun courts and youth violence courts.

Title II of the bill addresses the problem of gang violence which has spread from our cities into rural areas of this country. According to the Department of Justice, more than 846,000 gang members belong to 31,000 youth gangs in the United States, and the numbers are growing.

This part of the bill cracks down on gangs by making the interstate ''franchising'' of street gangs a crime. It will also increase penalties for crimes during which the convicted felon wears protective body armor or uses ''laser-sighting'' devices to commit the crime. The bill doubles the criminal penalties for using or threatening physical violence against witnesses and contains other provisions designed to facilitate the use and protection of witnesses to help prosecute gangs and other violent criminals. The Act also provides funding for law enforcement agencies in communities designated by the Attorney General as areas with a high level of interstate gang activity.

Title III of the bill sets forth a number of initiatives in nine subtitles to combat violence in the streets. The Safe Schools, Safe Streets, and Secure Borders Act continues successful initiatives in the 1994 Crime Act by putting more police officers on our streets, providing for the construction of more prisons, preventing juvenile felons from buying handguns, and assisting law enforcement and community groups in better protecting women and children from domestic violence. Specifically, the bill would extend COPS funding into 2001 and 2002 (which should lead to at least 25,000 more officers on the streets); establish a state minimum of .75 percent for Truth-in-Sentencing grants and extend this program and the Violent Offender Incarceration prison grant program into 2001 and 2002; and extend authorization for the Violence Against Women Act (VAWA) funding and local law enforcement grant programs.

A significant problem that arose last year was the loss of confidentiality that had previously attached to the important work of the U.S. Secret Service. The Departments of Justice and Treasury and even a former Republican President advise that the safety of future Presidents may be jeopardized by forcing U.S. Secret Service agents to breach the confidentiality they need to do their job by testifying before a grand jury. I trust the Secret Service on this issue; they are the experts with the mission of protecting the lives of the President and other high-level elected official and visiting dignitaries. I also have confidence in the judgment of former President Bush, who has written, ''I feel very strongly that [Secret Service] agents should not be made to appear in court to discuss that which they might or might not have seen or heard.''

The Safe Schools, Safe Streets, and Secure Borders Act provides a reasonable and limited protective function privilege so future Secret Service agents are able to maintain the confidentiality they say they need to protect the lives of the President, Vice President and visiting heads of state.

This title of the bill also includes a number of provisions to address the following matters:

Domestic violence: In addition to extending authorized funding for the Violence Against Women Act, the bill would punish attempts to commit interstate domestic violence, expand the interstate domestic violence offense to cover intimidation, and punish interstate travel with the intent to kill a spouse.

Protecting Law Enforcement and the Judiciary: The Act recognizes that law enforcement officers put their lives on the line every day. According to the FBI, over 1,000 officers have been killed in the line of duty since 1980. The Safe Schools, Safe Streets, and Secure Borders Act contains provisions to protect the lives of our law enforcement officers by extending the Bulletproof Vest Partnership grant program through 2004. It also establishes new crimes and increases penalties for killing federal officers and persons working with federal officers, including in their work with federal prisoners, and for retaliation against federal officials by threatening or injuring their family members. The Act enhances the penalty for assaults and threats against Federal judges and other federal officials engaged in their official duties.

Cargo/Property Theft: The bill also contains an important initiative proposed by Senator LAUTENBERG to deter cargo thefts.

Sentencing Improvements: This subtitle doubles the maximum penalty for manslaughter from 10 to 20 years, consistent with the Sentencing Commission's recommendation, applies the sentencing guidelines to all pertinent federal statutes (such as criminal prohibitions in statutes outside titles 18 and 21 of the United States Code), and other improvements.

Civil Liberties: The bill includes the ''Hate Crimes Prevention Act,'' which was originally introduced by Senator KENNEDY and has the strong bipartisan support of over twenty Members, and other initiatives designed to bolster support for enforcement of civil rights.

National Drunk Driving Standard: The bill includes a provision sponsored by Senator LAUTENBERG which requires States to establish a .08 alcohol standard for driving while intoxicated by 2002 or risk losing a portion of their federal highway funds.

Title IV of the bill outlines a number of prevention programs that are critical to further reducing juvenile crime. These programs include grants to youth organizations and ''Say No to Drugs'' Community Centers, as well as reauthorization of the Runaway and Homeless Youth Act, Anti-Drug Abuse Programs and Local Delinquency Prevention Programs. Additional sections include a program suggested by Senator BINGAMAN to establish a competitive grant program to reduce truancy, with priority given to efforts to replicate successful programs.

The bill would also reauthorize the Juvenile Justice and Delinquency Prevention Act (JJDPA) in a similar fashion to H.R. 1818, a bill passed by the House with strong bipartisan support in the last Congress. This section creates a new juvenile justice block grant program and retains the four core protections for youth in the juvenile justice system, while adopting greater flexibility for rural areas.

Last year, the Senate Republicans tried to gut these core protections in their juvenile crime bill, S. 10. This Democratic crime bill puts ideology aside, and follows the advice of numerous child advocacy experts—including

the Children's Defense Fund, National Collaboration for Youth, Youth Law Center and National Network for Youth—who believe these key protections must be preserved in order to protect juveniles who have been arrested or detained. These core protections ensure that juveniles are not housed with adults, do not have verbal or physical contact with adult inmates, and any disproportionate confinement of minority youth is addressed by the States. If these protections are abolished, many more youth may end up committing suicide or being released with serious physical or emotional scars.

Title V of the bill contains five subtitles on combating illegal drug use. Illegal drugs are too often at the heart of crime. This Act would protect our children by increasing penalties for selling drugs to kids and drug trafficking in or near schools, and cracking down on ''club drugs.'' It goes a step further and encourages pharmacotherapy research to develop medications for the treatment of drug addiction, a proposal Senator BIDEN has urged. It also funds drug courts, which subject eligible drug offenders to programs of intensive supervision.

Title VI of the bill is intended to increase the rights of victims within the criminal justice system. The criminal is only half of the equation. This bill guarantees the rights of crime victims. All States recognize victims' rights in some form, but they often lack the training and resources to make those rights a reality. This bill provides a model Bill of Rights for crime victims in the federal system, and makes available to the States grants to fund the hiring of State and Federal victim-witness advocates, training, and the technology necessary for model notification systems. This bill would help make victims' rights a reality.

Specifically, this title reforms Federal law and evidence to enhance victims' participation in all stages of criminal proceedings by giving victims' a right to notice of detention hearings, plea agreements, sentencing, probation revocations, escapes or releases from prison, and to allocution at hearings, as well as grants for obtaining state-of-the-art systems for providing notice. In addition, this title would provide grant programs to study the effectiveness of the restorative justice approach for victims.

Title VII of the bill of details provisions for combating money laundering. Crime increasingly has an international face, from drug kingpins to millionaire terrorists, like Usama bin Laden. The money laundering provisions of this bill hit these international criminals where it hurts most—in the pocketbook.

These provisions would provide important tools not just to combat international terrorism but drug trafficking as well. We must have interdiction, we must have treatment programs; we must tell kids to say ''No'' to drugs. But we have to do more, and taking the profit away from international drug lords is an effective weapon. This Democratic crime bill would strengthen these laws.

FBI Director Freeh testified last year before the Senate Judiciary Committee that enhanced money laundering provisions would be an important tool against the likes of international terrorists, such as bin Laden. Director Freeh praised the following provisions set forth in this title of the bill.

Fugitive Disentitlement to stop drug kingpins, terrorists and other international fugitives from using our courts to fight to keep the proceeds of the very crimes for which they are wanted. Criminals should not be able to use our courts to their benefit at the same time they are evading our laws.

Immediate seizure of U.S. assets of foreign criminals, so terrorists and drug lords will not be able to keep their money one step ahead of the law enforcement.

Limits on Foreign Bank Secrecy to stop criminals from hiding behind foreign bank secrecy laws while they use U.S. courts.

These and other money laundering provisions in the bill should find bipartisan support for quick passage before the end of this Congress.

Title VIII sets forth important proposals for combating international crime. In particular, the bill would punish violent crimes or murder against American citizens abroad, deny safe havens to international criminals by strengthening extradition, promote cooperation with foreign governments on sharing witnesses and evidence, and streamline the prosecution of international crimes in U.S. courts. Provisions include:

Giving the FBI authority to investigate and prosecute the murder or extortion of U.S. citizens and state and local officials involved in federally-sponsored programs abroad;

Providing for extradition under certain circumstances for offenses not covered in a treaty or absent a treaty;

Giving the Attorney General authority to transfer and share witnesses with foreign governments, and obtain and use foreign evidence in criminals cases;

Prohibiting fugitives from benefitting from time served abroad fighting extradition;

Adding serious computer crimes as predicate offenses for which wiretaps may be authorized; and

Providing court order procedures for law enforcement access to stored information on computer networks.

Finally, Title IX contains provisions to strengthen the air, land and sea borders of this country. The bill would punish violence at the borders, increase authority of maritime law enforcement officers at the borders, increase penalties for smuggling contraband and other products, strengthen immigration laws to exclude fleeing felons, and persons involved in racketeering and arms trafficking. Specific sections include:

Punishing ''port-running,'' which is driving or crashing through Customs entry ports;

Sanctions for not cooperating with maritime law enforcement officers by obstructing lawful boarding requests and commands to ''heave to''; and

Denying admission into the U.S. of persons whom consular officials have reason to believe are involved in RICO acts, arms trafficking, or alien smuggling for profit, or are fleeing foreign prosecution.

The Safe Schools, Safe Streets, and Secure Borders Act is a comprehensive and realistic set of proposals for keeping our schools safe, our streets safe, our citizens safe when they go abroad, and our borders secure. I look forward to working on a bipartisan basis for passage of as much of this bill as possible during the 106th Congress.

By Mr. DASCHLE (for himself, Ms. MIKULSKI, Mr. CLELAND, Mr. HARKIN, Mr. SARBANES, Mr. KENNEDY, Mrs. BOXER, Mr. DURBIN, Mr. ROCKEFELLER, Mr. DODD, and Mr. BRYAN):

S. 10. A bill to provide health protection and needed assistance for older Americans, including access to health insurance for 55- to 65-year-olds, assistance for individuals with long-term care needs, and social services for older Americans; to the Committee on Finance.

THE DEMOCRATIC AGENDA FOR SENIOR CITIZENS

Mr. KENNEDY. Mr. President, I commend Senator DASCHLE for his leadership in making these vital health programs that mean so much to older Americans a central part of the Democratic agenda. Our proposal for Early Access to Medicare is a key part of these initiatives. It provides a lifeline for millions of Americans who are within a few years of the age of eligibility for Medicare and who have lost their health insurance coverage or fear that they will lose it. Our proposal also includes President Clinton's program to assist disabled senior citizens and their families—assistance that can mean the difference between institutionalization in a nursing home and the ability to remain in their own home. In addition, our proposal extends and strengthens the Older Americans Act, which provides valuable services for senior citizens, from ''Meals on Wheels'' to employment opportunities.

Providing early access to Medicare will offer help and hope to more than three million Americans aged 55 to 64 who have no health insurance today. They are too young for Medicare, and unable to obtain private coverage they can afford. Often, they are victims of corporate downsizing, or of a company's decision to cancel their health insurance.

In the past year, the number of the uninsured in this age group increased at a faster rate than other age groups. These Americans have been left out

and left behind through no fault of their own—often after decades of hard work and reliable insurance coverage. It is time for Congress to provide a helping hand.

Many of these citizens have serious health problems that threaten to destroy the savings of a lifetime and that prevent them from finding or keeping a job. Even those without current health problems know that a single serious illness could wipe out their savings.

These uninsured Americans tend to be in poorer health than other members of their age group. Their health continues to deteriorate, the longer they remain uninsured. this unnecessary burden of illness is a preventable human tragedy. It adds to Medicare's long-term costs, because when these individuals turn 65, they join Medicare with greater and more costly needs for health care.

Even those with good coverage today can't be certain that it will be there tomorrow. No one nearing retirement can be confident that the health insurance they have today will protect them until they qualify for Medicare at 65.

Our proposal offers several types of assistance. Any uninsured American who is 62 or older can buy into Medicare. Over time, the participants will pay the full cost of the coverage, but to help keep premiums affordable, they can defer payment of part of the premiums until they turn 65 and Medicare starts to pay most of their health care costs. Once they turn 65, this deferred portion of the premium will be paid back at a modest monthly rate estimated at about $10 per month for each year of participation in the buy-in program.

In addition, individuals age 55–61 who lose their health insurance because they are laid off or because their company closes will also be able to buy into Medicare, but they will not qualify for the deferred premium. Also, people who have retired before age 65 with the expectation of employer-paid health insurance would be allowed to buy into the company's program for active workers if the company drops its retirement coverage before they are eligible for Medicare.

Our proposal is a lifeline for all these Americans. It is also a constructive step toward the day when every American will be guaranteed the fundamental right to health care.

In the past, opponents have waged a campaign of disinformation that this sensible plan is somehow a threat to Medicare. They are wrong—and the American people understand that they are wrong. Under our proposal, the participants themselves will ultimately pay the full cost of this new coverage. The modest short-term budget impact can be financed through savings obtained by reducing fraud and abuse in Medicare.

Every American should have the security and peace of mind of knowing that their final years in the workforce will not be haunted by the fear of devastating medical costs or the inability to meet basic medical needs. Uninsured Americans who are too young for Medicare but too old to purchase affordable private insurance coverage deserve our help—and we intend to see that they get it.

Additional assistance for the disabled is also very important. Few issues are more important to senior citizens and their families than how to care for a severely disable order person at home. No senior citizens who want to remain in their own homes should be forced to enter a nursing home. Children who want to take disabled parents into their own homes deserve support. The issue of caring for the severely disabled at home is not just a concern for senior citizens. No parent should be forced to place a disabled child in institutional care. No disabled citizen who wants to live independently and can do so should be denied that opportunity.

President Clinton's proposal is not a comprehensive solution to the problem of financing needed long-term care. It will not end the enormous burdens that caregivers often assume. But it is an important and constructive step that will provide needed help to millions of families.

Under the proposal, disabled persons or their caregivers will be entitled to a tax credit of $1,000—far less than the total cost of caring for a disabled person, but still significant relief that can help buy a critical piece of equipment, pay for a period of respite care, or meet other unmet needs.

The proposal also creates a National Family Caregiver Support Program to develop community resources for counseling, respite care and other services, training in assisting persons with disabilities, and providing information about resources available to meet the needs of the disabled and their caregivers.

One of the most difficult aspects of caring for a disabled parent or child is not knowing where to turn for help, or finding that help is not available. This program will help to meet these needs.

Finally, the legislation extends and strengthens the Older Americans Act, a step that is long overdue. The Act provides essential services that assist senior citizens in every community. It supports 57 state agencies on aging, 660 area agencies, and 27,000 service providers who work with the elderly.

The Act is an essential source of nutrition for many low income and frail elderly. In FY 1996, more than 3 million older persons were served 238 million meals with funding from the Act. The Act supported transportation, assistance, home care, recreation and other important services provided by 6,400 senior centers. It funded more than 40 million rides and 15 million home care services to older persons. The Act also pays for training and research in the field of aging. It helps unemployed low-income older persons to find employment opportunities. And it provides protection and advocacy services for vulnerable senior citizens.

Elderly Americans and those nearing retirement have worked all their lives to build America. When they face basic needs for health care and long-term care, they deserve the best help that America can provide. These proposals are important and timely. They will make a very important difference in the lives of millions of our fellow citizens, and they deserve prompt enactment by the Congress.

By Mr. ABRAHAM:

S. 11. A bill for the relief of Wei Jingsheng; to the Committee on the Judiciary.

WEI JINGSHENG FREEDOM OF CONSCIENCE ACT

Mr. ABRAHAM. Mr. President, I rise today to seek my colleagues' support for the Wei Jingsheng Freedom of Conscience Act. This bill will grant lawful permanent residence to writer and philosopher Wei Jingsheng, one of the most heroic individuals the international human rights community has known. This bill passed the Senate by unanimous consent in 1998 but was not acted upon in the House before the end of last session.

Mr. President, when I first introduced this legislation I noted that, for years, Wei has stood up to an oppressive Chinese government, calling for freedom and democracy through speeches, writings, and as a prominent participant in the Democracy Wall movement. I also noted that his dedication to the principles we hold dear, and on which our nation was founded, brought him 15 years of torture and imprisonment at the hands of the Chinese communist regime. Seriously ill, Wei was released only after great international public outcry. Now essentially exiled, he lives in the United States on a temporary visa and cannot return to China without facing further imprisonment.

Now more than ever, Mr. President, I believe that granting Wei permanent residence will show that America stands by those who are willing to stand up for the principles we cherish. It also will help Wei in his continuing fight for freedom and democracy in China.

I would like to thank Senators FEINGOLD, ALLARD, and WELLSTONE for cosponsoring this bill. I should note also that this legislation has been endorsed by important human rights groups such as the Laogai Research Foundation and Human Rights in China, two organizations devoted, at great risk to their members and their members' families, to combating oppression in communist China.

I urge my colleagues to send a strong signal about America's commitment to human rights, human freedom, and the dignity of the individual by passing this bill to grant Wei Jingsheng lawful permanent residence in the United States.

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. 11

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

SECTION 1. PERMANENT RESIDENCE.

(a) SHORT TITLE.—This Act may be cited as the ''Wei Jingsheng Freedom of Conscience Act''.

(b) Notwithstanding any other provision of law, for purposes of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), Wei Jingsheng shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee.

SEC. 2. REDUCTION OF NUMBER OF AVAILABLE VISAS.

Upon the granting of permanent residence to Wei Jingsheng as provided in this Act, the Secretary of State shall instruct the proper officer to reduce by one during the current fiscal year the total number of immigrant visas available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act (8 U.S.C. 1153(a)).

By Mr. SESSIONS (for himself, Mr. GRAHAM, Mr. MACK, Mr. ABRAHAM, Mr. COCHRAN, and Mr. COVERDELL):

S. 13. A bill to amend the Internal Revenue Code of 1986 to provide additional tax incentives for education; to the Committee on Finance.

COLLEGIATE LEARNING AND STUDENT SAVINGS (CLASS) ACT

Mr. SESSIONS. Mr. President, I rise today to discuss the concept of prepaid tuition plans and why they are critically important to America's families.

As a parent who has put two children through college and who has another currently enrolled in college, I know first-hand that America's families are struggling to meet the rising costs of higher education. In fact, American families have already accrued more college debt in the 1990's than during the previous three decades combined.

The reason is twofold: the federal government subsidizes student debt with interest rate breaks and penalizes educational savings by taxing the interest earned on those savings.

In recent years, however, many families have tackled rising tuition costs by taking advantage of pre-paid college tuition and savings plans. These plans allow families to purchase tuition credits years in advance.

Mr. President, 39 states, like my home state of Alabama, along with a nationwide consortium of more than 100 private schools, have established these tuition savings and prepaid tuition plans. These plans are extremely popular with parents, students, and alumni. They make it easier for families to save for college, while at the same time taking the uncertainty out of the future cost of college.

Congress has supported participating families by expanding the scope of the pre-paid tuition plans and by deferring the taxes on the interest earned until the student goes off to college.

Mr. President, today, I along with Senators BOB GRAHAM, CONNIE MACK, PAUL COVERDELL, SPENCER ABRAHAM, and THAD COCHRAN are introducing ''The Collegiate Learning and Student Savings (CLASS) Act'', a common sense piece of legislation which could help more than 30 million students afford a college education.

The CLASS Act will make the interest earned on all education pre-paid plans completely tax-free.

Currently, the interest earned by families saving for college is taxed twice. Families are taxed on the income when they earn it, and then again on the interest that accrues from the savings.

On the other hand, the federal government subsidizes student loans by deferring interest payments until after graduation. It is no wonder that families are going heavily into debt and at the same time are struggling to save for college. We strongly believe that this trend must no longer continue.

In order to provide families a new alternative, The CLASS Act will provide tax-free treatment to all pre-paid savings plans.

This bipartisan piece of legislation is sound education and tax policy that provides incentives for savings rather than bureaucratic solutions. For a small cost, the CLASS Act will provide billions in potential savings to help families afford a college education.

Mr. President, many individuals have questioned whether these plans will benefit all types of students. Let me say this, it is wrong to assume that tuition savings and prepaid plans benefit mainly the wealthy. In fact, the track record of existing state pre-paid plans indicates that working, middle-income families, not the rich, benefit the most from pre-paid plans.

For example, families with an annual income of less than $35,000 purchased 62 percent of the prepaid tuition contracts sold by the State of Pennsylvania in 1996. And the average monthly contribution to a family's college savings account during 1995 in Kentucky was $43.

Tax free treatment for prepaid tuition plans must become law. The federal government can no longer subsidize student debt with interest rate breaks and penalize educational savings by taxing the interest earned by families who are desperately trying to save for college. If these goals are achieved, the federal government would no longer be penalizing families for saving but rather be providing families with help they need to meet the cost of college through savings rather than through debt.

Mr. President, this legislation has received a tremendous amount of support from the colleges and universities, higher education associations, as well as several public policy think tanks. These include: The Career College Association, the National Association of Independent Colleges and Universities, the American Council on Education, the State of Virginia's Prepaid Education Program, The Heritage Foundation and Citizens for a Sound Economy.

The idea of tax-free treatment for prepaid tuition plans has also been endorsed by the Washington Post, Time Magazine, and the Birmingham News.

Mr. President, in particular, I would like to call my colleagues attention to a September 25, 1998 Heritage Foundation report, authored by Rea Hederman, a Research Analyst in the Domestic Policy Department at Heritage. This shows that over 30 million children stand to benefit from expanded education savings accounts and tuition prepayment plans. I'd encourage my colleagues to review the Heritage report, which breaks down these numbers by both State and Congressional district.

Mr. President, I would also like to ask that a copy of this report be printed in the RECORD at the conclusion of my remarks.

I would also like to acknowledge the efforts of my good friend Congressman JOE SCARBOROUGH, who has introduced the House companion to the CLASS Act, H.R. 254.

Mr. President, the time to act is now. I encourage my colleagues to push for this common sense piece of legislation. This Congress should call on the leadership of both Houses, to make this legislation, which cold help more than 30 million students afford a college education, a part of any tax bill we consider this year.

Mr. President, I ask unanimous consent that a report and letters of support be printed in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF INDEPENDENT COLLEGES AND UNIVERSITIES,
August 25, 1998.

Hon. JEFF SESSIONS,
U.S. Senate, Washington, DC.

DEAR SENATOR SESSIONS: On behalf of the over 900 independent colleges and universities that make up the National Association of Independent Colleges and Universities, I want to express our support for your continued efforts to allow private colleges and universities to establish prepaid tuition plans that would enjoy the same tax treatment and preferences as state sponsored plans. We agree that legislation is desperately needed to allow students and families who want to utilize prepaid tuition plans to dedicate the funds to the institution of their choice. Your legislation allowing private colleges and universities to compete on a level playing field in the tax arena is absolutely necessary and fair.

We look forward to continuing to work with you and your colleagues in both the House and Senate to push for the inclusion of tax relief for private pre-paid tuition programs in tax legislation expected before the 105th Congress adjourns. This issue is a top tax priority for independent higher education and we certainly support your efforts.

Again, thank you. Please do not hesitate to contact me if and when I can be of further assistance on this or any issue of importance to independent higher education.

Sincerely,

DAVID L. WARREN,
President.

COMMONWEALTH OF VIRGINIA, HIGHER EDUCATION TUITION TRUST FUND, RICHMOND, VA,
September 16, 1998.

Hon. JEFF SESSIONS,
The U.S. Senate, Washington, DC.

Re: Virginia prepaid education program—support of S. 2425.

DEAR SENATOR SESSIONS: Thank you for your continuing support of legislation to encourage college savings through qualified tuition programs like the Virginia Prepaid Education Program (''VPEP''). VPEP now represents over a third of a billion dollars pledged to the futures of more than 21,000 children, and we are about to begin our third enrollment period on October 1.

In our continuing efforts to make a college education more accessible and affordable for families, we very much appreciate your sponsorship of S. 2425, the Collegiate Learning and Student Saving Act, which would provide an exclusion from gross income of interest earnings on qualified tuition programs like VPEP.

VPEP strongly supports an exclusion from gross income for earnings on qualified tuition program accounts. This tax treatment would be less burdensome to administer than current tax provisions, and would result in better compliance and less cost to the programs and their participants. More importantly, an exclusion from gross income would provide a powerful additional incentive for families to save early for college expenses.

Please do not hesitate to contact me or my staff should you need any additional information or have any questions. Thank you for your continued interest in and support of qualified tuition programs and the hundreds of thousands of children for whom college is now an affordable reality.

Sincerely,

DIANA F. CANTOR,
Executive Director.

ENTERPRISE STATE JUNIOR COLLEGE,
ENTERPRISE AL,
October 1, 1998.

Hon. JEFF SESSIONS,
U.S. Senate, Washington, DC.

DEAR SENATOR SESSIONS. I have reviewed S. 2425 with a great deal of enthusiasm. I believe that it is a much needed piece of legislation. It will certainly help many Alabamians who are struggling to secure a college education for their children.

Several members of the Enterprise State Junior College family are participants in the Alabama Prepaid College Tuition Program. I know that they will be pleased to learn that those hard earned funds may soon be exempted from the Internal Revenue Code of 1986. Likewise, I am sure that citizens in Florida, Georgia and Kentucky will be appreciative for the protection that the bill will afford them.

Senator Sessions, this type legislation clearly demonstrates both your leadership and sensitivity to the needs of Alabama citizens. As the state legislative contact person for the American Association of Community Colleges, I will encourage my colleagues to support and petition our friends nationwide to encourage passage of the language.

Sincerely,

STAFFORD L. THOMPSON,
President.

SAMFORD UNIVERSITY,
BIRMINGHAM, AL,
August 14, 1998.

Hon. JEFF B. SESSIONS,
U.S. Senator, Washington, DC.

DEAR JEFF: I was delighted to learn of your sponsorship of legislation which would clarify Section 529 so that appropriate securities statutes apply to prepaid tuition plans for private institutions in S. 2425, The Collegiate Learning and Student Savings (CLASS) Act of 1998.

As you may know, Samford University has joined with nearly sixty independent institutions of higher education to form a consortium which is working hard to establish the first nationwide prepaid tuition program geared to American families who want to enroll their children at independent institutions. We are convinced this plan will offer millions of future students and their families a convenient and affordable method to save for college. Moreover, our institutions will be able to offer future tuition at current or discounted-current rates.

In addition, I believe it is important to secure tax treatment for prepaid tuition plans for private institutions, similar to that currently offered to state-sponsored tuition plans. Such tax treatment is essential to the success of our efforts by making these programs more economically attractive.

I continue to appreciate all that you are doing for our state and thank you for your leadership on this proposal and your commitment to American higher education. If I can be of further assistance as you move forward, please do not hesitate to contact me.

Very sincerely yours,

THOMAS E. CORTS,
President.

BIRMINGHAM-SOUTHERN COLLEGE,
BIRMINGHAM, AL,
August 5, 1998.

Hon. JEFF SESSIONS,
Russell Senate Office Building, Washington, DC

DEAR JEFF: I am writing to personally thank you for your continued efforts to bring about legislation to allow private college prepaid tuition plans. The introduction of your and Senators Coverdale, Graham and McConnell's ''Colleagiate Learning and Student Savings Act'' is a valuable step in the right direction to allow parents and students to save for *all* of their educational needs, both public and private. I applaud your efforts to include the tax-exempt status of earnings on prepaid tuition plans that is in the bill. Obviously, this will help students and families be better able to afford college.

We certainly need a national prepaid tuition plan. As you know, Birmingham-Southern College is one of more than sixty private institutions willing to take the responsibility for establishing a plan if it could be permitted by your legislation. Most importantly, the private college prepaid college tuition plan should be good for the nation, and only the national plan lowers costs without lowering the quality of the best system of higher education in the world.

We at Birmingham-Southern, stand ready to assist you in getting S. 2425 passed. Please let us know what we can do to assist. Again, thank you for your commitment to higher education.

Sincerely,

NEAL R. BERTE,
President.

[From Time, Dec. 7, 1998]

NEW WAY TO SAVE—STATE COLLEGE-SAVING PLANS OFFER TAX ADVANTAGES TO ALL AND CAN BE USED AT ANY SCHOOL IN THE U.S.

(By Daniel Kadlec)

The best college-savings program you never heard about keeps getting better. As you think about year-end tax moves, consider dropping some cash into a state-sponsored plan where money for college grows tax-deferred and may garner a fat state income tax exemption as well. This plan is relative new and often gets confused with more common prepaid-tuition plans, in which you pay today and attend later—removing worries about higher tuition in the future. Savings plans are vastly different and in most cases superior because they are more flexible.

Prepaid plans offer tax advantages, and some are portable, but many still apply only to public colleges within the taxpayer's state. What if Junior gets accepted to Harvard? You can get your contributions back. But some states refund only principal, beating you out of years' worth of investment gains. And state prepaid plans make it tougher to get student aid because the moneys is held in the student's name. With savings plans the money is in a parent's name, where it counts less heavily in student-aid formulas—and you can set aside as much as $100,000 for expenses at any U.S. college.

Both the prepaid and the college-savings plans vary from state to state. Check out the website collegesavings.org for details. It's a fast-moving area. In the next few months, eight states will join the 15 that already have state college-savings programs. Those are mostly in addition to the 19 that have prepaid-tuition plans. Only Massachusetts will probably offer both.

Most of the newer savings plans make contributions deductible against state taxes. New York, for example, launched its plan two months ago. It permits couples to set aside up to $10,000 a year per student and lets New York residents deduct the full amount from their income on their state return. Missouri will approve a tax-deductible savings plan in December. Minnesota is expected to adopt a plan in which the state matches 5% of your contributions. These college-savings plans are open to everyone, regardless of income—in contrast to the Roth IRA and other federal savings plans in which eligibility begins to phase out for couples earning more than $100,000.

If your state doesn't offer a college-savings plan, you can still participate through an out-of-state plan. You won't get the state tax deduction, but you will get tax-deferred investment growth; and when the money is tapped, it will be taxed at the student's rate (usually 15%). Fidelity Investments (800–544–1722; www.state.nh.us), which runs the New Hampshire savings plan, and TIAA–CREF (877–697–2837; www.nysaves.org), which runs the New York plan, make it easy. If your state later offers a savings plan with a tax deduction, you can transfer your account penalty free.

Both plans invest mostly in stocks in the early years and slowly shift into bonds and money markets as your student nears college age. You get no say in this allocation. The impact of tax deferral is big. TIAA–CREF estimates that someone in the 28% tax bracket savings $5,000 a year and mimicking its investments in a taxable account could expect to accumulate $167,000 in 18 years. Deferring taxes and then paying them at 15% brings the total to $190,000. The state deduction, for those who qualify, pushes the nest egg to $202,000.

[From the Birmingham News, Aug. 2, 1998.]

BORROWING AN IDEA—PREPAID TUITION PLANS GOOD FOR PRIVATE COLLEGES AS WELL

State-run, prepaid college tuition plans, such as the one offered in Alabama, are marvelous ideas that are becoming more popular each year.

They help make sending children to public colleges within the reach of more families.

It's great that some private colleges are now borrowing the concept, helping families better afford college educations at their schools, which often can be several times as expensive as state-supported schools.

Recently, some 56 private colleges—including Birmingham-Southern College and Samford University—became members of

Tuition Plan Inc., a new prepaid program designed to work like the state-run tuition plans:

Parents invest in the plan when their children are young—through one lump sum or through monthly payments—as a shelter against inflation, and the fund invests the money to cover future tuition obligations.

With the private TPI, parents get another bonus; Colleges agree upfront to discount their tuition a guaranteed amount, as much as 50 percent at some schools. And, as with the public school tuition pacts, if a child decides not to go to a school for which his or her parents already have paid, the student gets a refund plus some of the interest and minus a penalty (neither of the amounts has been decided).

Organizers hope to eventually sign up 400 to 500 member schools.

Some of the important details of TPI haven't yet been worked out, such as how the money will be invested to maximize return and security, but the concept is grand.

Not only will it make private school more affordable for more families, it could lessen the need for financial aid, since four-fifths of all current students at private colleges and universities receive some form of it.

And because schools will be discounting their tuition to plan participants, it also might stem rising tuition costs.

This time, it's the private sector that's learning from government.

[From the Washington Post, Aug. 7, 1998]

IF IT'S FOR COLLEGE, TAXES ARE DEFERRED—NEW STATE PLANS OFFER BETTER RETURNS ON LONG-TERM SAVINGS FOR HIGHER EDUCATION

(By Albert B. Crenshaw)

A growing number of states, taking advantage of recent tax law changes, are rushing to create savings plans that enable families to set aside tens of thousands of dollars a year in tax-deferred accounts to pay college costs.

The new programs allow families to make upfront investments of as much as $50,000—building accounts that could dwarf the $500-a-year Education IRA enacted with much fanfare last year. The initial contribution is not deductible from federal taxes, but the account's earnings are free of tax until the child goes to college, when they are taxed at the child's rate.

The programs, resulting from several seemingly modest changes in tax law in the past two years, have the potential to allow families to save hundreds of thousands of dollars for college while paying sharply reduced taxes on the earnings.

''We think of it as the best-kept secret of the Taxpayer Relief Act'' of 1997, said Stephen Mitchell of Fidelity Investments, the big mutual fund operator.

States can tailor the programs as they see fit, but typically they are not restricted to residents of the sponsoring state or to colleges within their borders.

The states are crafting the programs in response to constituent complaints about the soaring cost of higher education. The savings accounts are expected to appeal in particular to middle-class families that earn too much to qualify for financial aid but often too little to cover college costs without heavy borrowing. Affluent families would benefit greatly as well, experts say, because they can afford to put large sums into the plans.

There is no limit on the incomes of contributors.

Although sponsored by the states, the programs are typically operated by a large money-management fund, which invests the cash and handles the administration of the accounts. Already, Fidelity is operating these plans, variously known as savings trusts or 529 plans (after the tax code section permitting them), for Delaware and New Hampshire.

New York and the Teachers Investment and Annuity Association are launching one next month. At least five other states offer some type of savings trust, and at least a dozen jurisdictions, including Virginia and the District, are studying the possibility.

New Hampshire established its trust with Fidelity as manager July 1. According to State Treasurer Georgie Thomas and a Fidelity spokesman, it works like this:

When a parent or other donor opens an account, the donor's payments go into the trust where they are pooled with others and invested in one of seven portfolios of Fidelity mutual funds.

No taxes are paid on the earnings until the money is withdrawn, and proceeds can be used for room and board as well as for tuition. Then, the income is taxable to the student, who presumably would have little other income and would be in a lower tax bracket than the parents.

The total allowable contribution for a single beneficiary is currently $100,311.

If a parent were able to put $50,000 into one of these accounts for a newborn, and the account earned 10 percent for 18 years, it would total about $278,000 when the child went off to college. At 8 percent, it would amount to just under $200,000.

''I think it's a great plan for upper-income and wealthy people to use,'' said Raymond Loewe of College Money, a Marlton, N.J., firm specializing in planning for college.

Thomas, though, said she sees it as ''a middle-class program.'' Low-income people qualify for government grants and scholarships, and the wealthy can afford to pay out of pocket, she said, while the middle class is forced to borrow.

While it's possible to make a large contribution, accounts can be opened with much smaller amounts. With automatic payments, the plan will allow people to put in as little as $50 a month, according to Fidelity.

If the child doesn't go to college for whatever reason, the account can be transferred to a sibling or other beneficiary.

Also, parents can get at the money if they need it. Amounts can be withdrawn for any reason, though earnings would be subject to income tax plus a 15 percent penalty.

Politicians at the national and state levels have sought through a variety of ways to ease the burden of college costs for middle-class voters. State officials fear that if they do nothing, they risk losing residents or their money to other states with attractive programs.

Prepaid tuition plans have been successful in big states with attractive public college systems. But smaller jurisdictions, such as New Hampshire, Delaware and the District, may find it difficult to attract enough families to a prepaid program to make it viable.

Savings trusts have existed in more limited form since 1990, but they have become much more attractive over the last two years because of changes in the tax law made by Congress, at the request of several states.

In 1996, Congress added Section 529 to the federal tax code, clarifying that investments in such trusts would be tax-deferred and the distributions taxable at the student's rate. Before that, their tax status was uncertain. Then last year's tax law included provisions that allow a family to contribute up to $50,000 in a lump sum to the trusts without incurring a gift tax, and which allow the money to be used for college expenses beyond tuition.

Because of the enormous growth potential—prepaid plans already have attracted hundreds of millions of dollars—big money managers are actively vying for a piece of the action. ''The big funds are out there in force,'' said Diana F. Cantor, executive director of the Virginia Higher Education Tuition Trust Fund.

Fidelity's Mitchell said the programs fill a gap in government efforts to assist families in saving for college. The Education IRA, though its proceeds are tax-free, is too restricted, and alternatives such as giving money to a child have a variety of tax and other pitfalls, he said.

''We think for most people who are able to save at all, $500 a year just isn't enough to let people get to their goals,'' Mitchell said.

The new savings trusts differ from prepaid tuition plans that many states, including Virginia and Maryland, have offered in recent years.

While prepaid tuition plans promise to pay the tuition no matter what the inflation rate, savings trusts do not. The beneficiary gets whatever the investment amounts to when it's time to go to college—and that amount may be more or less than needed. With prepaid tuition, the state would cover a shortfall; with a savings trust, that would be up to the student.

Also, most prepaid tuition plans are restricted to state residents and state institutions—conditions that limit their appeal to many families.

This was a factor in New Hampshire's decision to go with a savings trust, said Thomas, the state treasurer. ''We are a small state. We have a lot of out-of-state students coming into our schools, and conversely we have a lot of New Hampshire students going to out-of-state schools,'' she said.

[A Report of the Heritage Center for Data Analysis, Sept. 25, 1998]

WHO WOULD BENEFIT FROM PREPAID COLLEGE TUITION PLANS?

(By Rea S. Hederman)

In 1997, Congress enacted legislation to provide taxpaying Americans with new ways to save for their children's college education. Specifically, Congress created tax-advantaged ''education IRAs'' in the Taxpayer's Relief Act of 1997, increasing the attractiveness of state-sponsored tuition savings and prepayment plans. Many Members of Congress now want to expand these opportunities.

Advoactes of expansion claim that these plans will make it easier for families to save for college and will take the uncertainty out of planning for future costs of college education. They argue that it is time for Congress and President Bill Clinton to eliminate the double taxation of interest earned through these programs and end the tax disparity that currently exists between public and private colleges.

Indeed, the House Ways and Means Committee recently adopted, as part of its $80 billion tax-cut package, a modest expansion of tuition savings and prepayment plans. H.R. 4579 would extend the same tax treatment that state-sponsored plans enjoy under the current law to plans at private colleges and universities.

Under this legislation, federal income tax on all interest earned through the plans—whether public or private—would be deferred until the student enrolls in college. The committee's proposal, however, does not go far enough for some Members who want to make all earnings through all of the tuition savings and prepayment plans tax-free, thus vastly expanding their benefits to participating families and children.[1]

How many children would benefit from the universal availability of tax-advantaged tuition savings and prepayment plans? A Center

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Footnotes at end of article.

for Data Analysis study shows that about 30 million children could benefit, as demonstrated in the attached table by state and congressional district.

It should be noted that this study does not calculate the financial benefits that might flow to families from expanding tuition savings and prepayment plans, though the numbers doubtless are significant. American families accumulated more college debt during the first five years of the 1990s than in the previous three decades combined.[2] Recognizing that this trend cannot continue, several states have established tuition savings and prepaid tuition plans.[3]

A common criticism of educational savings accounts is that they are a tax break solely for the rich and upper class, so not many children will benefit from them. However, the experience of the existing state plans indicates that working, middle-income families represent a significant portion of participants.[4] For example, families with annual incomes of less than $35,000 purchased 62 percent of the prepaid tuition contracts sold by Pennsylvania in 1996. The average monthly contribution to a family's college savings account during 1995 in Kentucky was 443.

The attached table shows the number of children who stand to benefit from expanded educational savings accounts and tuition prepayment plans.

METHODOLOGY

The data in the attached table came from the 1997 March Current Population Survey produced by the Bureau of the Census, and other data tabulated by the Census Bureau for The Heritage Foundation.[5]

Children were considered eligible if they were members of family that had an annual monetary income of at least 125 percent of the poverty threshold.[6] The analysis was conducted at the state level, which gave the aggregate number of children eligible. The children were distributed based on each district's percentage of children above the 125 percent of poverty level.

Finally, the number of children in each district was multiplied by the percentage of eligible high school graduates in 1994 who went on to attend college in that state.[7]

FOOTNOTES

[1] John S. Barry, ''Why Congress Must Fix the Tax Bill's Educational Savings Plans,'' Heritage Foundation Executive Memorandum No. 491, September 3, 1997. Legislation has been introduced by Representative Bill Archer (R–TX), Kay Granger (R–TX), Philip English (R–PA), and Gerald Weller (R–IL), and Senators Jeff Sessions (R–AL), William Roth (R–DE), Bob Graham (D–FL), Mitch McConnell (R–KY), Paul Coverdell (R–GA), Thad Cochran (R–MS), Rod Grams (R–MN), and Spencer Abraham (R–MI).

[2] ''College Debt and the American Family,'' Report from the Education Resources Institutes and the Institute for Higher Education Policy, September 1995, p. 6.

[3] For an overview of the state-based plans, see College Savings Plans Network, National Association of State Treasurers, ''Special Report on State College Plans'' (Lexington, Ky.: Council of State Governments, 1996).

[4] Nina H. Shokraii and John S. Barry, ''Education: Empowering Parents, Teachers, and Principals,'' in Stuart M. Butler and Kim R. Holmes, eds., ''Issues '98: The Candidate's Briefing Book'' (Washington, D.C.: The Heritage Foundation, 1998), p. 280.

[5] Data available upon request from the author.

[6] At 125 percent of the poverty level, there is a notable increase in the number of tax filers who could realize tax savings from these plans.

[7] ''Quality Counts,'' Education Week, Vol. XII, No. 17 (January 8, 1998), p. 79.

NUMBER OF CHILDREN WHO COULD BENEFIT FROM PREPAID TUITION PLANS (1997)

State and congressional district	U.S. Representative (party)	Number of eligible children in families with income over 125% of poverty level	
		Total	Number who are likely to attend college [1]
Alabama:			
1	S. Callahan (R)	109,958	70,373
2	T. Everett (R)	115,268	73,771
3	B. Riley (R)	108,420	69,389
4	R. Aderholt (R)	109,574	70,127
5	B. Cramer (D)	115,499	73,919
6	S. Bachus (R)	116,191	74,362
7	E. Hilliard (D)	93,876	60,081
Alaska:.			
Single district.	D. Young (R)	192,307	71,154
Arkansas:			
1	M. Berry (D)	118,855	57,050
2	V. Snyder (D)	133,368	64,017
3	A. Hutchinson (R)	130,365	62,575
4	J. Dickey (R)	117,854	56,570
Arizona:			
1	M. Salmon (R)	141,109	70,555
2	E. Pastor (D)	132,973	66,486
3	B. Stump (R)	136,859	68,295
4	J. Shadegg (R)	139,219	69,609
5	J. Kolbe (R)	128,124	64,062
6	J.D. Hayworth (R)	143,739	71,870
California:			
1	F. Riggs (R)	118,120	72,053
2	W. Herger (R)	108,623	66,260
3	V. Fazio (D)	118,120	72,053
4	J. Doolittle (R)	119,307	72,777
5	R. Matsui (D)	106,249	64,812
6	L. Woolsey (D)	109,217	66,622
7	G. Miller (D)	121,682	74,226
8	N. Pelosi (D)	67,073	40,915
9	B. Lee (D)	89,629	54,674
10	E. Tauscher (D)	124,649	76,036
11	R. Pombo (R)	120,494	73,502
12	T. Lantos (D)	101,500	61,915
13	P. Stark (D)	125,243	76,398
14	A. Eshoo (D)	99,126	60,467
15	T. Cambell (R)	112,184	68,433
16	Z. Lofgren (R)	127,261	77,629
17	S. Farr (D)	118,536	72,307
18	G. Condit (D)	128,211	78,209
19	G. Radanovich (R)	118,702	72,408
20	C. Dooley (D)	115,087	70,203
21	W. Thomas (R)	125,718	76,688
22	L. Capps (D)	103,477	63,121
23	E. Gallegly (R)	131,713	80,345
24	B. Sheman (D)	105,655	64,450
25	B. McKeon (R)	133,434	81,395
26	H. Berman (D)	116,102	70,822
27	J. Rogan (R)	98,817	60,279
28	D. Dreier (R)	126,430	77,122
29	H. Waxman (D)	59,772	36,461
30	X. Becerra (D)	98,889	60,322
31	M. Martinez (D)	118,714	72,415
32	J. Dixon (D)	91,410	55,760
33	L. Roybal-Allard (D)	115,075	70,196
34	E. Torres (D)	134,740	82,191
35	M. Waters (D)	111,223	67,846
36	H. Harman (D)	94,555	57,679
37	J. Millender-McDon (D)	125,421	76,507
38	S. Horn (R)	102,865	62,748
39	E. Royce (R)	122,097	74,479
40	J. Lewis (R)	127,855	77,991
41	J. Kim (R)	140,379	85,631
42	G. Brown (D)	143,584	87,586
43	K. Calvert (R)	139,489	85,088
44	M. Bono (R)	116,636	71,148
45	D. Rohrabacher (R)	100,313	61,191
46	L. Sanchez (D)	121,147	73,900
47	C. Cox (R)	113,965	69,519
48	R. Packard (R)	123,450	75,305
49	B. Bilbray (R)	74,523	45,459
50	B. Filner (D)	119,901	73,140
51	R. Cunningham (R)	120,732	73,646
52	D. Hunter (R)	124,056	75,674
Colorado:			
1	D. DeGette (D)	97,017	50,449
2	D. Skaggs (D)	137,236	71,363
3	S. McInnis (R)	123,228	64,079
4	B. Schaffer (R)	137,667	71,587
5	J. Hefley (R)	147,008	76,444
6	D. Schaefer (R)	142,118	73,901
Connecticut:			
1	B. Kennelly (D)	105,416	62,195
2	S. Gejdenson (D)	116,249	68,587
3	R. DeLauro (D)	107,728	63,560
4	C. Shays (R)	107,593	63,480
5	J. Maloney (D)	121,727	71,819
6	N. Johnson (R)	117,467	69,305
Delaware:			
Single district.	M. Castle (R)	148,092	96,260
District of Columbia:			
Delegate	E. Holmes-Norton (D)	55,515	34,364
Florida:			
1	J. Scarborough (R)	105,015	51,457
2	A. Boyd (D)	102,603	50,276
3	C. Brown (D)	97,342	47,697
4	T. Fowler (R)	107,207	52,532
5	K. Thurman (D)	77,566	38,008
6	C. Stearns (R)	108,084	52,961
7	J. Mica (R)	108,150	52,994
8	B. McCollum (R)	104,862	51,382
9	M. Bilirakis (R)	96,634	47,350
10	B. Young (R)	77,829	38,136
11	J. Davis (D)	95,193	46,645
12	C. Canady (R)	106,550	52,209
13	D. Miller (R)	77,939	38,190
14	P. Goss (R)	84,034	41,177
15	D. Weldon (R)	99,600	48,804
16	M. Foley (R)	94,711	46,408
17	C. Meek (D)	102,516	50,233
18	I. Ros-Lehtinen (R)	82,718	40,532
19	R. Wexler (D)	88,791	43,508
20	P. Deutsch (D)	105,673	51,780
21	L. Diaz-Balart (R)	111,395	54,583
22	C. Shaw (R)	58,339	28,586
23	A. Hastings (D)	99,819	48,911
Georgia:			
1	J. Kingston (R)	122,289	72,151
2	S. Bishop (D)	104,436	61,617
3	M. Collins (R)	139,461	82,282
4	C. McKinney (D)	129,267	76,268
5	J. Lewis (D)	94,173	55,562
6	N. Gingrich (R)	140,511	82,901
7	B. Barr (R)	130,930	77,249
8	S. Chambliss (R)	125,811	74,228
9	N. Deal (D)	126,757	74,786
10	C. Norwood (R)	125,162	73,845
11	J. Linder (R)	123,877	73,087
Hawaii:			
1	N. Abercrombie (D)	85,883	53,247
2	P. Mink (D)	105,297	65,284
Idaho:			
1	H. Chenoweth (R)	111,901	53,713
2	M. Crapo (R)	134,379	64,502
Illinois:			
1	B. Rush (D)	96,817	61,963
2	J. Jackson (D)	122,876	78,641
3	W. Lipinski (D)	120,353	77,026
4	L. Gutierrez (D)	128,044	81,948
5	R. Blagojevich (D)	92,506	59,204
6	H. Hyde (R)	130,909	83,782
7	D. Davis (D)	90,865	58,154
8	P. Crane (R)	146,021	93,453
9	S. Yates (D)	86,834	55,574
10	J. Porter (R)	138,134	88,406
11	J. Weller (R)	136,665	87,466
12	J. Costello (D)	113,207	72,452
13	H. Fawell (R)	155,443	99,483
14	D. Hastert (R)	150,405	96,259
15	T. Ewing (R)	116,361	74,471
16	D. Manzullo (R)	140,412	89,864
17	L. Evans (D)	118,541	75,866
18	R. LaHood (R)	127,725	81,744
19	G. Poshard (D)	113,300	72,512
20	J. Shimkus (R)	123,317	78,923
Indiana:			
1	P. Visclosky (D)	111,638	61,401
2	D. McIntosh (R)	103,673	57,020
3	T. Roemer (D)	115,806	63,693
4	M. Souder (R)	127,521	70,137
5	S. Buyer (R)	118,667	65,267
6	D. Burton (R)	125,156	68,836
7	E. Pease (R)	108,033	59,418
8	J. Hostettler (R)	101,105	55,608
9	L. Hamilton (D)	116,673	64,170
10	J. Carson (D)	98,097	53,953
Iowa:			
1	J. Leach (R)	134,186	85,879
2	J. Nussle (R)	136,633	87,445
3	L. Boswell (D)	127,263	81,449
4	G. Ganske (R)	135,757	86,884
5	T. Latham (R)	140,138	89,688
Kansas:			
1	J. Moran (R)	144,997	82,649
2	J. Ryun (R)	137,921	78,615
3	V. Snowbarger (R)	148,361	84,566
4	T. Tiahrt (R)	148,709	84,764
Kentucky:			
1	E. Whitfield (R)	108,223	53,029
2	R. Lewis (R)	122,191	59,874
3	A. Northup (R)	106,786	52,325
4	J. Bunning (R)	106,793	52,329
5	H. Rogers (R)	122,476	60,013
6	S. Baesler (D)	95,828	46,956
Louisiana:			
1	B. Livingston (R)	108,873	57,703
2	W. Jefferson (D)	83,892	44,463
3	B. Tauzin (R)	114,456	60,662
4	J. McCrery (R)	81,386	43,135
5	J. Cooksey (R)	103,361	54,782
6	R. Baker (R)	111,951	59,334
7	C. John (D)	111,808	59,258
Maine:			
1	T. Allen (D)	98,056	49,028
2	J. Baldacci (D)	87,165	43,582
Maryland:			
1	W. Gilchrest (R)	122,453	67,349
2	R. Ehrlich (R)	126,439	69,541
3	B. Cardin (D)	116,874	64,281
4	A. Wynn (D)	132,915	73,103

NUMBER OF CHILDREN WHO COULD BENEFIT FROM PREPAID TUITION PLANS (1997)—Continued

State and congressional district	U.S. Representative (party)	Number of eligible children in families with income over 125% of poverty level	
		Total	Number who are likely to attend college [1]
5	S. Hoyer (D)	135,008	74,254
6	R. Bartlett (R)	132,118	72,665
7	E. Cummings (D)	98,541	54,197
8	C. Morella (R)	132,018	72,610
Massachusetts:			
1	J. Olver (D)	120,136	78,088
2	R. Neal (D)	126,714	82,364
3	J. McGovern (D)	124,290	80,789
4	B. Frank (D)	123,852	80,504
5	M. Meehan (D)	131,445	85,439
6	J. Tierney (D)	119,674	77,788
7	E. Markey (D)	104,556	67,961
8	J. Kennedy (D)	76,744	49,883
9	J. Moakley (D)	109,865	71,412
10	W. Delahunt (D)	121,290	78,838
Michigan:			
1	B. Stupak (D)	119,337	71,602
2	P. Hoekstra (R)	134,397	80,638
3	V. Ehlers (R)	136,876	82,125
4	D. Camp (R)	119,719	71,831
5	J. Barcia (D)	121,053	72,632
6	F. Upton (R)	118,194	70,916
7	N. Smith (R)	124,675	74,805
8	D. Stabenow (D)	124,294	74,576
9	D. Kildee (D)	119,337	71,602
10	D. Bonior (D)	127,725	76,635
11	J. Knollenberg (R)	125,438	75,263
12	S. Levin (D)	120,862	72,517
13	L. Rivers (D)	116,668	70,001
14	J. Conyers (D)	101,418	60,851
15	C. Kilpatrick (D)	74,348	44,609
16	J. Dingell (D)	122,006	73,204
Minnesota:			
1	G. Gutknecht (R)	140,016	74,208
2	D. Minge (D)	146,786	77,796
3	J. Ramstad (R)	149,042	78,992
4	B. Vento (D)	120,351	63,786
5	M. Sabo (D)	90,263	47,840
6	B. Luther (D)	162,582	86,168
7	C. Peterson (D)	134,321	71,190
8	J. Oberstar (D)	131,204	69,538
Mississippi:			
1	R. Wicker (R)	103,157	71,178
2	B. Thompson (D)	83,724	57,770
3	C. Pickering (R)	100,691	69,477
4	M. Parker (R)	93,730	64,674
5	G. Taylor (D)	102,093	70,444
Missouri			
1	B. Clay (D)	132,587	67,619
2	J. Talent (R)	178,713	91,144
3	R. Gephardt (D)	157,259	80,202
4	I. Skelton (D)	155,542	79,327
5	K. McCarthy (D)	140,310	71,558
6	P. Danner (D)	160,906	82,062
7	R. Blunt (R)	143,957	73,418
8	J. Emerson (R)	135,161	68,932
9	K. Hulshof (R)	163,266	83,266
Montana: Single district.	R. Hill (R)	167,712	90,564
Nebraska:			
1	D. Bereuter (R)	114,111	68,466
2	J. Christensen (R)	121,139	72,684
3	B. Barrett (R)	116,184	69,710
Nevada:			
1	J. Ensign (R)	151,025	57,389
2	J. Gibbons (R)	168,267	63,941
New Hampshire:			
1	J. Sununu (R)	115,308	64,572
2	C. Bass (R)	116,934	65,483
New Jersey:			
1	R. Andrews (D)	117,947	75,486
2	F. LoBiondo (R)	108,200	69,248
3	J. Saxton (R)	119,218	76,300
4	C. Smith (R)	113,568	72,684
5	M. Roukema (R)	121,478	77,746
6	F. Pallone (D)	104,669	66,988
7	B. Franks (R)	108,200	69,248
8	W. Pascrell (D)	102,127	65,361
9	S. Rothman (D)	92,521	59,214
10	D. Payne (D)	96,900	62,016
11	R. Frelinghuysen (R)	117,665	75,305
12	M. Pappas (R)	119,360	76,390
13	R. Menendez (D)	90,685	58,038
New Mexico:			
1	H. Wilson (R)	111,873	60,411
2	J. Skeen (R)	110,860	59,864
3	B. Redmond (R)	114,946	62,071
New York:.			
1	M. Forbes (R)	126,450	88,515
2	R. Lazio (R)	121,392	84,975
3	P. King (R)	111,909	78,336
4	C. McCarthy (D)	112,225	78,557
5	G. Ackerman (D)	103,373	72,361
6	G. Meeks (D)	113,173	79,221
7	T. Manton (D)	81,561	57,092
8	J. Nadler (D)	62,593	43,815
9	C. Schumer (D)	90,096	63,067
10	E. Towns (D)	88,199	61,739
11	M. Owens (D)	107,167	75,017
12	N. Velazquez (D)	84,406	59,084
13	V. Fossella (R)	104,322	73,025
14	C. Maloney (D)	51,529	36,070
15	C. Rangel (D)	68,283	47,798
16	J. Serrano (D)	80,612	56,428
17	E. Engel (D)	92,309	64,616
18	N. Lowey (D)	96,102	67,272
19	S. Kelly (R)	117,915	82,540
20	B. Gilman (R)	124,238	86,966
21	M. McNulty (D)	102,425	71,697
22	G. Solomon (R)	121,709	85,196
23	S. Boehlert (R)	110,960	77,672
24	J. McHugh (R)	117,283	82,098
25	J. Walsh (R)	115,070	80,549
26	M. Hinchey (D)	104,322	73,025
27	B. Paxon (R)	123,289	86,302
28	L. Slaughter (D)	105,586	73,910
29	J. LaFalce (D)	107,167	75,017
30	J. Quinn (R)	102,425	71,697
31	A. Houghton (R)	113,489	79,442
North Carolina			
1	E. Clayton (D)	95,341	48,624
2	B. Etheridge (D)	108,085	55,123
3	W. Jones (R)	110,897	56,557
4	D. Price (D)	108,506	55,338
5	R. Burr (R)	103,406	52,737
6	H. Coble (R)	110,594	56,403
7	M. McIntyre (D)	107,856	55,006
8	B. Hefner (D)	120,546	61,479
9	S. Myrick (R)	118,039	60,200
10	C. Ballenger (R)	114,700	58,497
11	C. Taylor (R)	97,202	49,573
12	M. Watt (D)	102,001	52,021
North Dakota: Single district.	E. Pomeroy (D)	131,864	89,667
Ohio:			
1	S. Chabot (R)	108,478	55,324
2	R. Portman (R)	134,306	68,496
3	T. Hall (D)	111,622	56,927
4	M. Oxley (R)	127,343	64,945
5	P. Gillmore (R)	138,573	70,672
6	T. Strickland (D)	107,579	54,865
7	D. Hobson (R)	123,525	62,998
8	J. Boehner (R)	132,958	67,809
9	M. Kaptur (D)	118,135	60,249
10	D. Kucinich (D)	110,948	56,583
11	L. Stokes (D)	94,777	48,337
12	J. Kasich (R)	119,932	61,165
13	S. Brown (D)	135,204	68,954
14	T. Sawyer (D)	109,600	55,896
15	D. Pryce (R)	109,600	55,896
16	R. Regula (R)	121,279	61,852
17	J. Traficant (D)	109,151	55,667
18	B. Ney (R)	113,868	58,073
19	S. LaTourette (R)	119,258	60,822
Oklahoma:			
1	S. Largent (R)	103,052	50,495
2	T. Coburn (R)	97,609	47,828
3	W. Watkins (R)	89,236	43,726
4	J. C. Watts (R)	106,521	52,195
5	E. Istook (R)	104,069	50,994
6	F. Lucas (R)	97,669	47,858
Oregon:			
1	E. Furse (D)	117,445	66,944
2	R. Smith (R)	109,222	62,256
3	E. Blumenauer (D)	105,138	59,929
4	P. DeFazio (D)	105,910	60,369
5	D. Hooley (D)	114,189	65,088
Pennsylvania:			
1	R. Brady (D)	86,253	49,164
2	C. Fattah (D)	83,100	47,367
3	R. Borski (D)	103,594	59,049
4	R. Klink (D)	108,323	61,744
5	J. Peterson (R)	105,396	60,076
6	T. Holden (D)	108,999	62,129
7	C. Weldon (R)	112,377	64,055
8	J. Greenwood (R)	131,745	75,094
9	B. Shuster (R)	111,927	63,798
10	J. McDade (R)	111,251	63,413
11	P. Kanjorski (D)	102,018	58,150
12	J. Murtha (D)	102,693	58,535
13	J. Fox (R)	116,656	66,494
14	W. Coyne (D)	84,452	48,137
15	P. McHale (D)	112,602	64,183
16	J. Pitts (R)	127,466	72,655
17	G. Gekas (R)	117,782	67,136
18	M. Doyle (D)	97,514	55,583
19	W. Goodling (R)	117,332	66,879
20	F. Mascara (D)	100,892	57,508
21	P. English (R)	109,675	62,515
Rhode Island:			
1	P. Kennedy (D)	79,820	51,883
2	R. Weygand (D)	83,345	54,174
South Carolina:			
1	M. Sanford (R)	115,317	66,884
2	F. Spence (R)	112,748	65,394
3	L. Graham (R)	109,390	63,446
4	B. Inglis (R)	110,114	63,866
5	J. Spratt (D)	112,814	65,432
6	J. Clyburn (D)	98,194	56,952
South Dakota Single district.	J. Thune (R)	140,376	70,188
Tennessee:			
1	W. Jenkins (R)	96,498	52,109
2	J. Duncan (R)	101,581	54,854
3	Z. Wamp (R)	104,267	56,304
4	V. Hilleary (R)	104,555	56,460
5	B. Clement (D)	100,143	54,077
6	B. Gordon (D)	125,082	67,544
7	E. Bryant (R)	124,123	67,026
8	J. Tanner (D)	108,871	58,791
9	H. Ford (D)	94,004	50,762
Texas:			
1	M. Sandlin (D)	109,450	54,725
2	J. Turner (D)	111,250	55,625
3	S. Johnson (R)	137,172	68,586
4	R. Hall (D)	124,931	62,466
5	P. Sessions (R)	109,090	54,545
6	J. Barton (R)	143,653	71,826
7	B. Archer (R)	140,772	70,386
8	K. Brady (R)	140,412	70,206
9	N. Lampson (D)	119,891	59,945
10	L. Doggett (D)	107,650	53,825
11	C. Edwards (D)	114,850	57,425
12	K. Granger (R)	121,331	60,665
13	W. Thornberry (R)	110,890	55,445
14	R. Paul (R)	117,730	58,865
15	R. Hinojosa (D)	101,169	50,584
16	S. Reyes (D)	114,490	57,245
17	C. Stenholm (D)	114,130	57,065
18	S. Lee (D)	96,128	48,064
19	L. Combest (D)	130,332	65,166
20	H. Gonzalez (D)	107,650	53,825
21	L. Smith (R)	125,651	62,826
22	T. DeLay (R)	142,573	71,286
23	H. Bonilla (R)	118,090	59,045
24	M. Frost (D)	132,852	66,426
25	K. Bentsen (D)	128,891	64,446
26	R. Armey (R)	132,132	66,066
27	S. Ortiz (D)	109,810	54,905
28	C. Rodriguez (D)	113,770	56,885
29	G. Green (D)	118,090	59,045
30	E. Johnson (D)	106,209	53,105
Utah:			
1	J. Hansen (R)	180,375	101,010
2	M. Cook (R)	166,456	93,215
3	C. Cannon (R)	174,484	97,711
Vermont: Single district.	B. Sanders (I)	114,170	58,227
Virginia:			
1	H. Bateman (R)	105,583	55,959
2	O. Pickett (D)	103,453	54,830
3	R. Scott (D)	80,333	42,576
4	N. Sisisky (D)	101,961	54,039
5	V. Goode (D)	87,791	46,529
6	B. Goodlatte (R)	87,045	46,134
7	T. Bliley (R)	106,223	56,298
8	J. Moran (D)	83,103	44,045
9	R. Boucher (D)	81,718	43,311
10	F. Wolf (R)	116,770	61,888
11	T. Davis (R)	111,017	58,839
Washington:			
1	R. White (R)	135,518	77,245
2	J. Metcalf (R)	131,200	74,784
3	L. Smith (R)	128,543	73,269
4	D. Hastings (R)	125,111	71,313
5	G. Nethercutt (R)	118,578	67,590
6	N. Dicks (D)	121,236	69,104
7	J. McDermott (D)	79,606	45,375
8	J. Dunn (R)	145,372	82,862
9	A. Smith (D)	126,993	72,386
West Virginia:			
1	A. Mollohan (D)	75,146	37,573
2	B. Wise (D)	78,123	39,062
3	N. Rahall (D)	70,579	35,290
Wisconsin:			
1	M. Neumann (R)	123,637	74,182
2	S. Klug (R)	117,215	70,329
3	R. Kind (D)	122,113	73,268
4	G. Kleczka (D)	119,686	71,812
5	T. Barrett (D)	93,816	56,290
6	T. Petri (R)	126,575	75,945
7	D. Obey (D)	124,616	74,770
8	J. Johnson (D)	126,466	75,880
9	J. Sensenbrenner (R)	138,982	83,389
Wyoming: Single district.	B. Cubin (R)	105,143	55,726
United States		48,464,580	30,048,040

[1] This figure was obtained by multiplying the number of children considered eligible to use the prepaid tuitions by the state percentage of high school graduates who attend college. This study does not attempt to predict the increase in number of children who would attend college as a result of the prepaid tuition plans.

[2] All data were taken from the 1997 March Current Population Survey and other Bureau of the Census tabulations.

Sources: U.S. Census Bureau and tabulations by The Heritage Foundation.

State	Number of eligible children in families with income over 125% of poverty level	
	Total	Number who are likely to attend college
Alabama	769,479	492,466
Alaska	192,307	71,154
Arizona	821,835	410,918
Arkansas	500,442	240,212
California	5,935,685	3,620,768
Colorado	784,294	407,833
Connecticut	676,262	398,994
Delaware	148,092	96,260
District of Columbia	55,515	34,419
Florida	2,192,380	1,074,266
Georgia	1,362,858	804,086
Hawaii	188,381	116,796
Idaho	244,326	117,277
Illinois	2,449,191	1,567,482
Indiana	1,126,515	619,583
Iowa	674,064	431,401
Kansas	579,989	330,594
Kentucky	664,549	325,629
Louisiana	715,800	379,374
Maine	185,220	92,610
Maryland	996,365	548,001
Massachusetts	1,154,041	750,127
Michigan	1,906,347	1,143,808
Minnesota	1,074,564	569,519
Mississippi	483,396	333,543
Missouri	1,072,706	547,080
Montana	167,712	90,564
Nebraska	351,434	210,860
Nevada	319,292	121,331
New Hampshire	232,242	130,055
New Jersey	1,412,539	904,025
New Mexico	337,678	182,346
New York	3,161,260	2,212,882
North Carolina	1,297,173	661,558
North Dakota	131,864	89,667
Ohio	2,245,912	1,145,415
Oklahoma	598,095	293,067
Oregon	551,904	314,586
Pennsylvania	2,252,045	1,283,666
Rhode Island	163,165	106,057
South Carolina	658,577	381,975
South Dakota	140,376	70,188
Tennessee	959,220	517,979
Texas	3,600,318	1,800,159
Utah	521,315	291,936
Vermont	114,170	58,227
Virginia	1,065,424	564,675
Washington	1,107,174	631,089
West Virginia	223,849	111,924
Wisconsin	1,088,351	653,011
Wyoming	105,143	55,726

Mr. GRAHAM. Mr. President, I am proud to join Senator SESSIONS and other colleagues in launching an initiative to increase Americans' access to college education. Today, we are introducing the Collegiate Learning and Student Savings Act. This bill would extend tax-free treatment to all state sponsored prepaid tuition plans and state savings plans in the year 2000. This legislation would also give prepaid tuition plans established by private colleges and universities tax-deferred treatment in 2000, and tax-exempt status by 2004.

Prepaid college tuition and savings programs have flourished at the state level in the face of spiraling college costs. According to the College Board, between 1980 and 1997, tuition at public colleges increased by 107 percent, while the median income increased just 12 percent. The cause of this dramatic increase in tuition is the subject of significant debate. But whether these increases are attributable to increased costs to the universities, reductions in state funding for public universities, or the increased value of a college degree, the fact remains that financing a college education has become increasingly difficult.

Although the federal government has increased its aid to college students over the years, it is the states who have engineered innovative ways to help its families afford college. Michigan implemented the first prepaid tuition plan in 1986. Florida followed in 1988. today 43 states have either implemented or are in the process of implementing prepaid tuition plans or state savings plans.

Mr. President, prepaid college tuition plans allow parents to pay prospectively for their children's higher education at participating universities. States pool these funds and invest them in a manner that will match or exceed the pace of educational inflation. This ''locks in'' current tuition and guarantees financial access to a future college education. Congress has already acted to ensure that tax on distributions from state sponsored programs are tax-deferred.

Senator SESSIONS and I believe the 106th Congress must move to make state programs 100 percent tax free. Students should be able to enroll in college without fear of then having to pay taxes on the money accrued. The legislation would extend the same treatment to private college prepaid programs in 2004.

We believe that these programs should be tax free for numerous reasons. First, for most families, they have in essence purchased a service to be provided in the future. The accounts are not liquid. The funds are transferred from the state directly to the college or university. Under current policy, the student is required to find other means of generating the funds to pay the tax. Second, Congress should make these programs tax free in order to encourage savings and college attendance.

Perhaps most importantly, prepaid tuition and savings programs help middle income families afford a college education. Florida's experience shows that it is not higher income families who take most advantage of these plans. It is middle income families who want the discipline of monthly payments. They know that they would have a difficult time coming up with funds necessary to pay for college if they waited until their child enrolled. In Florida, more than 70 percent of participants in the state tuition program have family incomes of less than $50,000.

I am pleased to have this opportunity to join my colleagues in support of good tax policies which enhance our higher education goals. Prepaid tuition plans deserve our support through enactment of legislation that would make them tax-free for American families and students.

By Mr. COVERDELL (for himself and Mr. TORRICELLI):

S. 14. A bill to amend the Internal Revenue Code of 1986 to expand the use of education individual retirement accounts, and for other purposes; to the Committee on Finance.

EDUCATION SAVINGS ACCOUNT ACT OF 1999

Mr. COVERDELL. Mr. President, I rise today to introduce the Education Savings Account Act of 1999.

Under this bill, parents will have more control over their children's education through IRA-style savings accounts that allow parents to save money tax-free for elementary and secondary education expenses. This legislation allows parents, grandparents, or scholarship sponsors to contribute up to $2,000 (post-tax dollars) a year per child for educational expenses while at public, private, religious or home schools—from kindergarten through high school. The accumulated interest in the savings accounts is tax-free if used for the child's education.

Just consider the benefits of these innovative education savings accounts: if a parent placed $2,000 each year in an education savings account beginning in the year of a child's birth, then assuming a 7.5% interest rate, $14,488 would be available by the first grade, $36,847 by the time the child starts junior high school, and $46,732 when the child starts high school.

For a child attending public school, this money could be used for after-school tutoring, car pooling or other transportation costs, school uniforms, or for a home computer. The Joint Committee on Taxation estimates that 75% of all families using these accounts—10.8 million families—will use them to support children in public schools.

These savings accounts give parents the power to obtain the necessary tools to overcome current obstacles to obtaining a quality education for their children.

This legislation is modeled on the Education Savings Accounts that were established for college as part of the bipartisan Taxpayer Relief Act of 1997. Last year, a similar version of this bill passed both the House and the Senate but was vetoed by President Clinton.

I am confident that because this is an idea that benefits millions of working American families, President Clinton will put aside his differences and join us in our effort this Congress.

By Mr. DODD (for himself, Mr. DASCHLE, Mr. KENNEDY, Mr. HARKIN, Mr. AKAKA, Mrs. MURRAY, Mr. KOHL, Mr. KERRY, Mr. KERREY, Mr. BINGAMAN, Mr. BRYAN, Mr. SARBANES, Mr. BIDEN, Mrs. BOXER, Mr. BREAUX, Mr. DURBIN, Mr. JOHNSON, Ms. LANDRIEU, Ms. MIKULSKI, Mr. ROCKEFELLER, Mr. REED, Mr. SCHUMER, Mr. TORRICELLI, Mr. WELLSTONE, Mr. LAUTENBERG, and Mrs. FEINSTEIN).

S. 17. A bill to increase the availability, affordability, and quality of child care; to the Committee on Health, Education, Labor, and Pensions.

CHILD CARE A.C.C.E.S.S. ACT (AFFORDABLE CHILD CARE FOR EARLY SUCCESS AND SECURITY)

Mr. DODD. Mr. President, I rise today to introduce the Child Care A.C.C.E.S.S. (Affordable Child Care for Early Success and Security) Act, legislation designed to improve the quality,

affordability and accessibility of child care in America.

Any member who spent time in his or her state over the past two months enters the 106th Congress knowing with certainty that no issue weighs more heavily on the minds of parents in this country than how their children are cared for.

Parents worry that they can't afford to take time away from work to be with their children. When they must work, they worry that the child care they need will be unavailable, unaffordable or unsafe. It's a constant, daily struggle.

The challenge before us is straightforward: to do a better job of supporting families in the choices they make about the care of their children.

Providing support for families' choices does not require inventing a slew of new programs. We have programs already in existence that work and that enjoy bipartisan support. Our goal should be to build on the foundation we've already laid with programs like the Child Care and Development Block Grant, 21st Century Community Learning Centers, and with targeted tax credits that help working families defray the costs of raising children.

But, providing real support does require making sure that adequate resources are there when families need them. And that's where we're falling short.

Mr. President, this is the reality in communities across the country:

Because of a lack of funding, the Child Care and Development Block Grant serve only 1 out of 10 eligible children. In two-thirds of our states, families earning $25,000 make too much to be eligible for any assistance through the block grant. Ironically, these same families earn too little and have too little tax liability to take full advantage of the non-refundable Dependent Care Tax Credit. What kind of choices do those families have when full-day child care costs $4,000 to $10,000 per year—equal to the cost of college tuition plus room and board at many public universities?

Many parents are dismayed to learn that some kinds of care are unavailable at any cost. For example, care for infants is virtually non-existent in many communities. And the problem is only getting worse. The GAO estimates that by the time the 50 percent welfare to work participation goal is reached in 2002, 88 percent of parents with infants needing child care will not be able to find it. This corresponds to 24,000 young children, in the city of Chicago alone, without child care. What choices will those parents have?

We know conclusively that the experiences in the first months and years of children's lives play a significant role in shaping their future. Many parents would prefer to be able to stay home with their children during that critical time, but are unable to shoulder the financial burden of losing an income. What choices are we offering those families?

Options are also limited for parents of school-age children. Five million children go unsupervised each day between the hours of 3 and 6 pm. Not coincidentally, these are the hours when juvenile crime peaks and when children are at an increased risk of being victims of crimes themselves. We also know that eighth-graders left home alone after school report greater use of cigarettes, alcohol, and marijuana than those who are in adult-supervised settings. What kind of choices do parents have when more than half of schools offer no afterschool programs?

Even when families can find affordable care, they still must worry about whether that care will be safe. Studies have found that only one in seven child care centers provides care that promotes healthy development. Child care at one in eight centers actually threatens children's health and safety. And infants and toddlers—our youngest and most vulnerable children—fare the worst. Almost half of infant and toddler care endangers health and safety. What kind of choices are we offering parents who must work but want their children to be in safe and loving environments?

I know that some will argue that child care is a private problem and one that families should be left to solve on their own. If so, then we would be treating child care very differently than we do other essential children's needs, like education and health care.

For example, we don't expect families to bear the financial costs of educating their children alone. In addition to providing public elementary and secondary schools, we pick up three-quarters of the costs of educating a student at a public university.

And we don't expect families to shoulder the burden of providing health care for their children alone. Two-thirds of families have that expense subsidized through their employers or through public programs such as Medicaid and the Children's Health Insurance Program.

We as a nation have an interest in well-educated and healthy children. And so, we accept that the federal government, states and employers play a role in getting us to these laudable goals—of public education and health.

I believe that there is just as compelling a national interest in making sure our children are safe and well-cared for. That is why I rise today to offer a plan that will broadly improve the ability of families to make better choices when it comes to our children's care.

There are seven main parts to our initiative:

First, our bill would provide an additional $7.5 billion over 5 years through the Child Care and Development Block Grant to increase the amount of child care subsidies available to working families. This investment will double the number of children served by the block grant to 2 million by 2004.

Second, this legislation will provide $2 billion over 5 years to encourage states to invest in activities known to produce significant improvements in the quality of child care. For example, we will help states to: bring provider-child ratios to nationally recommended levels; improve the enforcement of quality standards by conducting unannounced inspections; conduct background checks on child care providers; improve the compensation, education and training of child care providers; educate parents how to find good quality child care; and ensure that high quality child care is available to children with disabilities.

In addition, this bill would involve communities in improving the quality of early childhood development by providing $2.5 billion over 5 years in grants to local collaboratives to strengthen services for young children. The bill would also encourage dedicated child care providers to stay in the profession by helping with the repayment of educational loans.

This initiative would provide $2 billion over 5 years to increase the supply and quality of school-age care through the Child Care and Development Block Grant. In addition, we would encourage more schools to keep their doors open beyond the regular school day by expanding the 21st Century Community Learning Centers program to $600 million in FY 2000.

This bill would also expand the existing Dependent Care Tax Credit for families earning under $60,000 and index the credit for inflation to help it keep pace with rising child care costs. We would also make the credit refundable so that families with little or no tax liability (those making under $30,000) can receive assistance with child care expenses.

This legislation would also provide new assistance for families who make the difficult choice to forgo a second income or career and to stay at home with their children. Stay-at-home parents with children under the age of 1 could claim up to $540 through an expansion of the existing Dependent Care Tax Credit. This new credit would also be made refundable—to allow stay-at-home parents earning under $30,000 to benefit.

This bill would create a new discretionary program of competitive ''challenge grants'' in which communities who generate funds from the private sector would be eligible for matched federal grants to improve the availability and quality of child care on a community-wide basis. This program would be authorized at $400 million over 5 years. We would provide a new tax incentive to open high quality, on-site child care centers or to assist their employees in finding and paying for child care off-site.

Finally, we would also ensure that the federal government leads by example in providing its workers only the highest quality child care. Many people would be surprised to hear that federal child care facilities are currently exempted from state quality regulations.

In this bill we require that all federal child care centers meet all state licensing standards.

Mr. President, this is a comprehensive package—it is a bold agenda—but it is not pie in the sky. We can and must do this for America's families.

I was disappointed, but not disheartened, about the lack of progress made on this front last year, when I introduced similar legislation. But I know that all good things take time. I fought for more than 3 years to see the enactment of the original Child Care and Development Block Grant and 8 years to see the signing of the Family and Medical Leave Act.

But, I'm not looking to set any new endurance records with this legislation. I am hopeful that this year, we can work together again to give families the resources they need to better care for their children.

Mr. President, I would ask unanimous consent that a summary of this bill be printed in the RECORD. I would also ask unanimous consent that letters of support from the Children's Defense Fund and the National Women's Law Center be included in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

S. 17

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Child Care ACCESS (Affordable Child Care for Early Success and Security) Act''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Findings.

TITLE I—IMPROVING THE AFFORDABILITY OF CHILD CARE

Sec. 101. Increased appropriations for child care grants.

TITLE II—ENHANCING THE QUALITY OF CHILD CARE AND EARLY CHILDHOOD DEVELOPMENT

Subtitle A—Child Care

Sec. 201. Grants to improve the quality of child care.

Subtitle B—Young Child Assistance Activities

Sec. 211. Definitions.
Sec. 212. Allotments to States.
Sec. 213. Grants to local collaboratives.
Sec. 214. Supplement not supplant.
Sec. 215. Authorization of appropriations.

Subtitle C—Loan Cancellation for Child Care Providers

Sec. 221. Loan cancellation.

TITLE III—EXPANDING THE AVAILABILITY AND QUALITY OF SCHOOL-AGE CHILD CARE

Sec. 301. Appropriations for after-school care.
Sec. 302. Amendments to the 21st Century Community Learning Centers Act.

TITLE IV—SUPPORTING FAMILY CHOICES IN CHILD CARE

Sec. 401. Expanding the dependent care tax credit.
Sec. 402. Minimum credit allowed for stay-at-home parents.
Sec. 403. Credit made refundable.

TITLE V—ENCOURAGING PRIVATE SECTOR INVOLVEMENT

Sec. 501. Allowance of credit for employer expenses for child care assistance.
Sec. 502. Grants to support public-private partnerships.

TITLE VI—CHILD CARE IN FEDERAL FACILITIES

Sec. 601. Short title.
Sec. 602. Providing quality child care in Federal facilities.
Sec. 603. Child care services for Federal employees.
Sec. 604. Miscellaneous provisions relating to child care provided by Federal agencies.
Sec. 605. Requirement to provide lactation support in new Federal child care facilities.
Sec. 606. Federal child care evaluation.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Each day an estimated 13,000,000 children spend some part of their day in child care.

(2) Fifty-four percent of mothers with children between the ages of 0–3 are in the work force. Labor force participation rises to 63 percent for mothers with children under the age of 6 and to 78 percent for mothers with children ages 6–17.

(3) The availability of child care that is reliable, convenient, and affordable helps parents to reach and maintain self-sufficiency and is essential to making the transition from welfare to work.

(4) Only an estimated 1 out of 10 eligible families receive assistance in paying for child care through the Child Care and Development Block Grant Act of 1990.

(5) Full-day child care can cost $4,000 to $9,000 a year.

(6) In many instances, high quality child care services cost little more than mediocre services. An investment of only an additional 10 percent has been found to have a significant impact on quality.

(7) Only 1 in 7 child care centers provides care that promotes healthy development. Child care at 1 in 8 centers actually threatens children's health and safety.

(8) The education, training, and salary of a child care provider make the difference between poor and good quality child care.

(A) The average salary of a child care provider in a center is only $12,058 a year, which is approximately equal to the poverty level for a family of 3.

(B) Home-based providers earn $9,000 a year on average.

(9) Poor compensation and limited opportunities for professional training and education contribute to high turnover among child care providers, which disrupts the creation of strong provider-child relationships that are critical to children's healthy development.

(10) Children placed in poor quality child care settings have been found to have delayed language and reading skills, as well as increased aggressive behavior toward other children and adults.

(11) Nearly 5,000,000 children are home alone after school each week.

(12) Although it is thought that juvenile crime occurs mostly on evenings and weekends, juvenile crime actually peaks between 3 and 6 p.m.

(13) Eighth-graders left home alone after school report greater use of cigarettes, alcohol, and marijuana than those in adult-supervised settings.

TITLE I—IMPROVING THE AFFORDABILITY OF CHILD CARE

SEC. 101. INCREASED APPROPRIATIONS FOR CHILD CARE GRANTS.

Section 418(a)(3) of the Social Security Act (42 U.S.C. 618(a)(3)) is amended by striking subparagraphs (C) through (F) and inserting the following:

''(C) $3,167,000,000 for fiscal year 2000;
''(D) $3,367,000,000 for fiscal year 2001;
''(E) $4,067,000,000 for fiscal year 2002;
''(F) $4,717,000,000 for fiscal year 2003; and
''(G) $4,717,000,000 for fiscal year 2004.''.

TITLE II—ENHANCING THE QUALITY OF CHILD CARE AND EARLY CHILDHOOD DEVELOPMENT

Subtitle A—Child Care

SEC. 201. GRANTS TO IMPROVE THE QUALITY OF CHILD CARE.

Section 418 of the Social Security Act (42 U.S.C. 618) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

''(d) GRANTS TO IMPROVE THE QUALITY OF CHILD CARE AND EARLY CHILDHOOD DEVELOPMENT.—

''(1) SECRETARIAL AUTHORITY.—The Secretary shall use the amounts appropriated under paragraph (2) to make grants to States in accordance with this subsection.

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

''(A) $150,000,000 for fiscal year 2000;
''(B) $200,000,000 for fiscal year 2001;
''(C) $300,000,000 for fiscal year 2002;
''(D) $350,000,000 for fiscal year 2003; and
''(E) $1,000,000,000 for fiscal year 2004.

''(3) ALLOTMENTS TO STATES.—The amounts appropriated under paragraph (2) for payments to States under this paragraph shall be allotted among the States in the same manner as amounts (including the redistribution of unused amounts) are allotted or redistributed, as the case may be, under subsection (a)(2), except that the matching requirement of subsection (a)(2)(C) shall not apply to a grant made under this subsection.

''(4) USE OF FUNDS.—Funds received by a State through a grant made under this subsection may be used for any of the following:

''(A) Bringing provider-child ratios up to standards recommended by nationally recognized child care accrediting bodies.

''(B) Improving the enforcement of licensing standards, including the use of unannounced inspections of child care providers.

''(C) Conducting background checks on child care providers.

''(D) Providing increased payment rates for child care services for infants and for children with special health care needs.

''(E) Providing increased payment rates for child care services offered by licensed or accredited providers.

''(F) Improving the compensation of child care providers.

''(G) Assisting child care providers in becoming licensed or accredited.

''(H) Expanding activities to educate parents on the availability and quality of child care, including the development and operation of resource and referral systems.

''(I) Creating support networks and mentoring and apprenticeship programs for family child care providers.

''(J) Establishing linkages between child care services and health care services.

''(K) Offering training and education to child care providers, including offering scholarships and tax credits to assist with the expenses of obtaining such training and education.

''(L) Providing family support and parent education.

''(M) Ensuring the availability and quality of child care for children with special health care needs.''.

Subtitle B—Young Child Assistance Activities

SEC. 211. DEFINITIONS.

In this subtitle:

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

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

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

(4) STATE BOARD.—The term ''State board'' means a State Early Learning Coordinating Board established under section 212(c).

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

(6) YOUNG CHILD ASSISTANCE ACTIVITIES.—The term ''young child assistance activities'' means the activities described in paragraphs (1) and (2)(A) of section 213(b).

SEC. 212. ALLOTMENTS TO STATES.

(a) IN GENERAL.—The Secretary shall make allotments under subsection (b) to eligible States to pay for the Federal share of the cost of enabling the States to make grants to local collaboratives under section 213 for young child assistance activities.

(b) ALLOTMENT.—

(1) IN GENERAL.—From the funds appropriated under section 215 for each fiscal year and not reserved under subsection (i), the Secretary shall allot to each eligible State an amount that bears the same relationship to such funds as the total number of young children in poverty in the State bears to the total number of young children in poverty in all eligible States.

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

(A) is a young child; and

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

(c) STATE BOARDS.—

(1) IN GENERAL.—In order for a State to be eligible to obtain an allotment under this subtitle, the Governor of the State shall establish, or designate an entity to serve as, a State Early Learning Coordinating Board, which shall receive the allotment and make the grants described in section 213.

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

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

(B) representatives of business in the State;

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

(D) parents of young children in the State;

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

(F) representatives of State nonprofit organizations that represent the interests of young children in poverty, as defined in subsection (b)(2), in the State;

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

(H) representatives of local educational agencies.

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

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

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

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

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

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

(4) an assurance that the State board shall annually compile and submit to the Secretary information from the reports referred to in section 213(e)(2)(F)(iii) that describes the results referred to in section 213(e)(2)(F)(i).

(e) FEDERAL SHARE.—

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

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

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

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

(2) STATE SHARE.—

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

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

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

(f) STATE ADMINISTRATIVE COSTS.—

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

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

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

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

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

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

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

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

(i) TECHNICAL ASSISTANCE.—From the funds appropriated under section 215 for each fiscal year, the Secretary shall reserve not more than 1 percent of the funds to pay for the costs of providing technical assistance. The Secretary shall use the reserved funds to enter into contracts with eligible entities to provide technical assistance, to local collaboratives that receive grants under section 213, relating to the functions of the local collaboratives under this subtitle.

SEC. 213. GRANTS TO LOCAL COLLABORATIVES.

(a) IN GENERAL.—A State board that receives an allotment under section 212 shall use the funds made available through the allotment, and the State contribution made under section 212(e)(2), to pay for the Federal and State shares of the cost of making grants, on a competitive basis, to local collaboratives to carry out young child assistance activities.

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

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

(A) home visits for parents of young children;

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

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

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

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

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

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

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

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

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

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

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

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

(2) includes—

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

(B) businesses in the community;

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

(D) parents of young children in the community;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(F) the manner in which the collaborative will, at such intervals as the State board may require, submit information to the State board to enable the State board to carry out monitoring under section 212(g), including the manner in which the collaborative will—

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

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

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

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

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

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

(g) LOCAL SHARE.—

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

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

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

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

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

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

SEC. 214. SUPPLEMENT NOT SUPPLANT.

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

SEC. 215. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this subtitle $250,000,000 for fiscal year 2000, $250,000,000 for fiscal year 2001, $500,000,000 for fiscal year 2002, $500,000,000 for fiscal year 2003, $1,000,000,000 for fiscal year 2004, and such sums as may be necessary for fiscal year 2005 and each subsequent fiscal year.

Subtitle C—Loan Cancellation for Child Care Providers

SEC. 221. LOAN CANCELLATION.

Section 465(a) of the Higher Education Act of 1965 (20 U.S.C. 1087ee(a)) is amended—

(1) in paragraph (2)—

(A) by redesignating subparagraphs (G), (H), and (I) as subparagraphs (H), (I), and (J), respectively; and

(B) by inserting after subparagraph (F), the following:

''(G) as a full-time child care provider or educator—

''(i) in a child care facility operated by an entity that meets the applicable State or local government licensing, certification, approval, or registration requirements, if any; and

''(ii) who has a degree in early childhood education;''; and

(2) in paragraph (3)(A)—

(A) in clause (i), by striking ''(G), (H), or (I)'' and inserting ''(H), (I), or (J)''; and

(B) in clause (ii), by inserting ''or (G)'' after ''subparagraph (B)''.

TITLE III—EXPANDING THE AVAILABILITY AND QUALITY OF SCHOOL-AGE CHILD CARE

SEC. 301. APPROPRIATIONS FOR AFTER-SCHOOL CARE.

(a) GRANTS.—Section 418 of the Social Security Act (42 U.S.C. 618), as amended by section 201, is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following:

''(e) GRANTS TO INCREASE THE AVAILABILITY AND QUALITY OF SCHOOL-AGE CHILD CARE.—

''(1) SECRETARIAL AUTHORITY.—The Secretary shall use the amounts appropriated under paragraph (2) to make grants to States in accordance with this subsection.

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

''(A) $150,000,000 for fiscal year 2000;

''(B) $200,000,000 for fiscal year 2001;

''(C) $300,000,000 for fiscal year 2002;

''(D) $350,000,000 for fiscal year 2003; and

''(E) $1,000,000,000 for fiscal year 2004.

''(3) ALLOTMENTS TO STATES.—The amounts appropriated under paragraph (2) for payments to States under this paragraph shall be allotted among the States in the same manner as amounts (including the redistribution of unused amounts) are allotted or redistributed, as the case may be, under subsection (a)(2), except that the matching requirement of subsection (a)(2)(C) shall not apply to a grant made under this subsection.

''(4) USE OF FUNDS.—Funds received by a State through a grant made under this subsection shall be used for the provision of child care services before and after regular school hours and during months in which schools are not in session.''.

(b) DEFINITION OF ELIGIBLE CHILD.—Section 658P(4)(A) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n(4)(A)) is amended by striking ''13'' and inserting ''16''.

SEC. 302. AMENDMENTS TO THE 21ST CENTURY COMMUNITY LEARNING CENTERS ACT.

(a) PROGRAM AUTHORIZATION.—Section 10903 of the 21st Century Community Learning Centers Act (20 U.S.C. 8243) is amended—

(1) in subsection (a)—

(A) by striking ''rural and inner-city''; and

(B) by striking ''a rural or inner-city community'' and inserting ''communities'';

(2) in subsection (b), by striking '', among urban and rural areas of the United States, and among urban and rural areas of a State'';

(3) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(4) by inserting after subsection (b) the following:

''(c) PRIORITY OF DISTRIBUTION.—In awarding grants under this part, the Secretary shall give priority to rural, urban, and low-income communities.''.

(b) APPLICATION REQUIREMENTS.—Section 10904 of the 21st Century Community Learning Centers Act (20 U.S.C. 8244) is amended—

(1) in subsection (a)(3)(B), by inserting '', including the programs under the Child Care

and Development Block Grant Act of 1990, '' after ''coordinated''; and

(2) in subsection (b), by striking ''a broad selection'' and all that follows and inserting ''child care services before or after regular school hours that include mentoring programs, academic assistance, recreational activities, or technology training, and that may include drug, alcohol, and gang prevention, job skills preparation, or health and nutrition counseling.''.

(c) USES OF FUNDS.—Section 10905 of the 21st Century Community Learning Centers Act (20 U.S.C. 8245) is amended—

(1) in the matter preceding paragraph (1), by striking ''not less than four'' and inserting ''any''; and

(2) by striking paragraph (3) and inserting the following:

''(3) Child care services.''.

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 10907 of the 21st Century Community Learning Centers Act (20 U.S.C. 8247) is amended by striking ''$20,000,000 for fiscal year 1995'' and inserting ''$600,000,000 for fiscal year 1999''.

TITLE IV—SUPPORTING FAMILY CHOICES IN CHILD CARE

SEC. 401. EXPANDING THE DEPENDENT CARE TAX CREDIT.

(a) PERCENTAGE OF EMPLOYMENT-RELATED EXPENSES DETERMINED BY TAXPAYER STATUS.—Section 21(a)(2) of the Internal Revenue Code of 1986 (defining applicable percentage) is amended to read as follows:

''(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1), the term 'applicable percentage' means—

''(A) except as provided in subparagraph (B), 50 percent reduced (but not below 20 percent) by 1 percentage point for each $1,000, or fraction thereof, by which the taxpayers's adjusted gross income for the taxable year exceeds $30,000, and

''(B) in the case of employment-related expenses described in subsection (e)(11), 50 percent reduced (but not below zero) by 1 percentage point for each $800, or fraction thereof, by which the taxpayers's adjusted gross income for the taxable year exceeds $30,000.''.

(b) INFLATION ADJUSTMENT FOR ALLOWABLE EXPENSES.—Section 21(c) of the Internal Revenue Code of 1986 (relating to dollar limit on amount creditable) is amended by striking ''The amount determined'' and inserting ''In the case of any taxable year beginning after 1999, each dollar amount referred to in paragraphs (1) and (2) shall be increased by an amount equal to such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 1998' for 'calendar year 1992' in subparagraph (B) thereof. If any dollar amount after being increased under the preceding sentence is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10. The amount determined''.

(c) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 1999.

SEC. 402. MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.

(a) IN GENERAL.—Section 21(e) of the Internal Revenue Code of 1986 (relating to special rules) is amended by adding at the end the following:

''(11) MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.—Notwithstanding subsection (d), in the case of any taxpayer with one or more qualifying individuals described in subsection (b)(1)(A) under the age of 1 at any time during the taxable year, such taxpayer shall be deemed to have employment-related expenses with respect to such qualifying individuals in an amount equal to the sum of—

''(A) $90 for each month in such taxable year during which at least one of such qualifying individuals is under the age of 1, and

''(B) the amount of employment-related expenses otherwise incurred for such qualifying individuals for the taxable year (determined under this section without regard to this paragraph).''.

(b) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 1999.

SEC. 403. CREDIT MADE REFUNDABLE.

(a) IN GENERAL.—Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to credits against tax) is amended—

(1) by redesignating section 35 as section 36, and

(2) by redesignating section 21 as section 35.

(b) ADVANCE PAYMENT OF CREDIT.—Chapter 25 of such Code (relating to general provisions relating to employment taxes) is amended by inserting after section 3507 the following:

''SEC. 3507A. ADVANCE PAYMENT OF DEPENDENT CARE CREDIT.

''(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a dependent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's dependent care advance amount.

''(b) DEPENDENT CARE ELIGIBILITY CERTIFICATE.—For purposes of this title, a dependent care eligibility certificate is a statement furnished by an employee to the employer which—

''(1) certifies that the employee will be eligible to receive the credit provided by section 35 for the taxable year,

''(2) certifies that the employee reasonably expects to be an applicable taxpayer for the taxable year,

''(3) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

''(4) states whether or not the employee's spouse has a dependent care eligibility certificate in effect,

''(5) states the number of qualifying individuals in the household maintained by the employee, and

''(6) estimates the amount of employment-related expenses for the calendar year.

''(c) DEPENDENT CARE ADVANCE AMOUNT.—

''(1) IN GENERAL.—For purposes of this title, the term 'dependent care advance amount' means, with respect to any payroll period, the amount determined—

''(A) on the basis of the employee's wages from the employer for such period,

''(B) on the basis of the employee's estimated employment-related expenses included in the dependent care eligibility certificate, and

''(C) in accordance with tables provided by the Secretary.

''(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(C) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

''(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply.

''(e) DEFINITIONS.—For purposes of this section, terms used in this section which are defined in section 35 shall have the respective meanings given such terms by section 35.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 35(a)(1) of such Code, as redesignated by paragraph (1), is amended by striking ''chapter'' and inserting ''subtitle''.

(2) Section 35(e) of such Code, as so redesignated and amended by subsection (c), is amended by adding at the end the following:

''(12) COORDINATION WITH ADVANCE PAYMENTS AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply for purposes of this section.''.

(3) Sections 23(f)(1) and 129(a)(2)(C) of such Code are each amended by striking ''section 21(e)'' and inserting ''section 35(e)''.

(4) Section 129(b)(2) of such Code is amended by striking ''section 21(d)(2)'' and inserting ''section 35(d)(2)''.

(5) Section 129(e)(1) of such Code is amended by striking ''section 21(b)(2)'' and inserting ''section 35(b)(2)''.

(6) Section 213(e) of such Code is amended by striking ''section 21'' and inserting ''section 35''.

(7) Section 995(f)(2)(C) of such Code is amended by striking ''and 34'' and inserting ''34, and 35''.

(8) Section 6211(b)(4)(A) of such Code is amended by striking ''and 34'' and inserting '', 34, and 35''.

(9) Section 6213(g)(2)(H) of such Code is amended by striking ''section 21'' and inserting ''section 35''.

(10) Section 6213(g)(2)(L) of such Code is amended by striking ''section 21, 24, or 32'' and inserting ''section 24, 32, or 35''.

(11) The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by striking the item relating to section 35 and inserting the following:

''Sec. 35. Dependent care services.

''Sec. 36. Overpayments of tax.''.

(12) The table of sections for subpart A of such part IV is amended by striking the item relating to section 21.

(13) The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following:

''Sec. 3507A. Advance payment of dependent care credit.''.

(14) Section 1324(b)(2) of title 31, United States Code, is amended by inserting before the period '', or enacted by the Child Care ACCESS (Affordable Child Care for Early Success and Security) Act''.

(d) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 1999.

TITLE V—ENCOURAGING PRIVATE SECTOR INVOLVEMENT

SEC. 501. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CHILD CARE ASSISTANCE.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits) is amended by adding at the end the following:

''SEC. 45D. EMPLOYER-PROVIDED CHILD CARE CREDIT.

''(a) ALLOWANCE OF CREDIT.—For purposes of section 38, the employer-provided child care credit determined under this section for the taxable year is an amount equal to 25 percent of the qualified child care expenditures of the taxpayer for such taxable year.

''(b) DOLLAR LIMITATION.—The credit allowable under subsection (a) for any taxable year shall not exceed $150,000.

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED CHILD CARE EXPENDITURE.—

''(A) IN GENERAL.—The term 'qualified child care expenditure' means any amount paid or incurred—

''(i) to acquire, construct, rehabilitate, or expand property—

''(I) which is to be used as part of a qualified child care facility of the taxpayer,

''(II) with respect to which a deduction for depreciation (or amortization in lieu of depreciation) is allowable, and

''(III) which does not constitute part of the principal residence (within the meaning of section 121) of the taxpayer or any employee of the taxpayer,

''(ii) for the operating costs of a qualified child care facility of the taxpayer, including costs related to the training of employees of the child care facility, to scholarship programs, to the providing of differential compensation to employees based on level of child care training, and to expenses associated with achieving accreditation,

''(iii) under a contract with a qualified child care facility to provide child care services to employees of the taxpayer, or

''(iv) under a contract to provide child care resource and referral services to employees of the taxpayer.

''(B) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified child care expenditure' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

''(C) LIMITATION ON ALLOWABLE OPERATING COSTS.—The term 'qualified child care expenditure' shall not include any amount described in subparagraph (A)(ii) if such amount is paid or incurred after the third taxable year in which a credit under this section is taken by the taxpayer, unless the qualified child care facility of the taxpayer has received accreditation from a nationally recognized accrediting body before the end of such third taxable year.

''(2) QUALIFIED CHILD CARE FACILITY.—

''(A) IN GENERAL.—The term 'qualified child care facility' means a facility—

''(i) the principal use of which is to provide child care assistance, and

''(ii) which meets the requirements of all applicable laws and regulations of the State or local government in which it is located, including, but not limited to, the licensing of the facility as a child care facility.

Clause (i) shall not apply to a facility which is the principal residence (within the meaning of section 121) of the operator of the facility.

''(B) SPECIAL RULES WITH RESPECT TO A TAXPAYER.—A facility shall not be treated as a qualified child care facility with respect to a taxpayer unless—

''(i) enrollment in the facility is open to employees of the taxpayer during the taxable year,

''(ii) the facility is not the principal trade or business of the taxpayer unless at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer, and

''(iii) the costs to employees of child care services at such facility are determined on a sliding fee scale.

''(d) RECAPTURE OF ACQUISITION AND CONSTRUCTION CREDIT.—

''(1) IN GENERAL.—If, as of the close of any taxable year, there is a recapture event with respect to any qualified child care facility of the taxpayer, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

''(A) the applicable recapture percentage, and

''(B) the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted if the qualified child care expenditures of the taxpayer described in subsection (c)(1)(A) with respect to such facility had been zero.

''(2) APPLICABLE RECAPTURE PERCENTAGE.—

''(A) IN GENERAL.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

''If the recapture event occurs in:	The applicable recapture percentage is:
Years 1–3	100
Year 4	85
Year 5	70
Year 6	55
Year 7	40
Year 8	25
Years 9 and 10	10
Years 11 and thereafter	0.

''(B) YEARS.—For purposes of subparagraph (A), year 1 shall begin on the first day of the taxable year in which the qualified child care facility is placed in service by the taxpayer.

''(3) RECAPTURE EVENT DEFINED.—For purposes of this subsection, the term 'recapture event' means—

''(A) CESSATION OF OPERATION.—The cessation of the operation of the facility as a qualified child care facility.

''(B) CHANGE IN OWNERSHIP.—

''(i) IN GENERAL.—Except as provided in clause (ii), the disposition of a taxpayer's interest in a qualified child care facility with respect to which the credit described in subsection (a) was allowable.

''(ii) AGREEMENT TO ASSUME RECAPTURE LIABILITY.—Clause (i) shall not apply if the person acquiring such interest in the facility agrees in writing to assume the recapture liability of the person disposing of such interest in effect immediately before such disposition. In the event of such an assumption, the person acquiring the interest in the facility shall be treated as the taxpayer for purposes of assessing any recapture liability (computed as if there had been no change in ownership).

''(4) SPECIAL RULES.—

''(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

''(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under subpart A, B, or D of this part.

''(C) NO RECAPTURE BY REASON OF CASUALTY LOSS.—The increase in tax under this subsection shall not apply to a cessation of operation of the facility as a qualified child care facility by reason of a casualty loss to the extent such loss is restored by reconstruction or replacement within a reasonable period established by the Secretary.

''(e) SPECIAL RULES.—For purposes of this section—

''(1) AGGREGATION RULES.—All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

''(2) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

''(3) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

''(f) NO DOUBLE BENEFIT.—

''(1) REDUCTION IN BASIS.—For purposes of this subtitle—

''(A) IN GENERAL.—If a credit is determined under this section with respect to any property by reason of expenditures described in subsection (c)(1)(A), the basis of such property shall be reduced by the amount of the credit so determined.

''(B) CERTAIN DISPOSITIONS.—If during any taxable year there is a recapture amount determined with respect to any property the basis of which was reduced under subparagraph (A), the basis of such property (immediately before the event resulting in such recapture) shall be increased by an amount equal to such recapture amount. For purposes of the preceding sentence, the term 'recapture amount' means any increase in tax (or adjustment in carrybacks or carryovers) determined under subsection (d).

''(2) OTHER DEDUCTIONS AND CREDITS.—No deduction or credit shall be allowed under any other provision of this chapter with respect to the amount of the credit determined under this section.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) of the Internal Revenue Code of 1986 is amended—

(A) by striking out ''plus'' at the end of paragraph (11),

(B) by striking out the period at the end of paragraph (12), and inserting a comma and ''plus'', and

(C) by adding at the end the following new paragraph:

''(13) the employer-provided child care credit determined under section 45D.''.

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

''Sec. 45D. Employer-provided child care credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 502. GRANTS TO SUPPORT PUBLIC-PRIVATE PARTNERSHIPS.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall establish a program to award grants to local communities for the purpose of expanding the availability of, and improving the quality of, child care on a community-wide basis.

(b) APPLICATION.—To be eligible to receive a grant under this section, a local community shall prepare and submit to the Secretary an application at such time and in such manner as the Secretary may require, and that includes—

(1) an assurance that the matching funds required under subsection (c) will be provided;

(2) evidence of collaboration with parents, schools, employers, State and local government agencies, and child care agencies, including resource and referral agencies, in the preparation of the application;

(3) an assessment of child care resources and needs within the community; and

(4) any additional information that the Secretary may require.

(c) MATCHING REQUIREMENT.—To be eligible to receive a grant under this section a local community shall provide assurances to the Secretary that the community will provide matching funds in the amount of $1 for every $2 provided under the grant. Such funds shall be generated from private sources, including employers and philanthropic organizations.

(d) USE OF FUNDS.—A local community shall use the funds provided under a grant awarded under this section only for the purposes described in subsection (a).

(e) ADMINISTRATION.—A local community awarded a grant under this section may authorize a public or nonprofit entity within the community to act as the fiscal agent for the administration of the program funded under the grant.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to

carry out this section $100,000,000 for each of fiscal years 2000 through 2004.

TITLE VI—ENSURING THE QUALITY OF FEDERAL CHILD CARE CENTERS

SEC. 601. QUALITY CHILD CARE FOR FEDERAL EMPLOYEES.

(a) DEFINITIONS.—In this section:

(1) ACCREDITED CHILD CARE CENTER.—The term ''accredited child care center'' means—

(A) a center that is accredited, by a child care credentialing or accreditation entity recognized by a State, to provide child care to children in the State (except children who a tribal organization elects to serve through a center described in subparagraph (B));

(B) a center that is accredited, by a child care credentialing or accreditation entity recognized by a tribal organization, to provide child care for children served by the tribal organization;

(C) a center that is used as a Head Start center under the Head Start Act (42 U.S.C. 9831 et seq.) and is in compliance with any applicable performance standards established by regulation under such Act for Head Start programs; or

(D) a military child development center (as defined in section 1798(1) of title 10, United States Code).

(2) CHILD CARE CREDENTIALING OR ACCREDITATION ENTITY.—The term ''child care credentialing or accreditation entity'' means a nonprofit private organization or public agency that—

(A) is recognized by a State agency or tribal organization; and

(B) accredits a center or credentials an individual to provide child care on the basis of—

(i) an accreditation or credentialing instrument based on peer-validated research;

(ii) compliance with applicable State and local licensing requirements, or standards described in section 658E(c)(2)(E)(ii) of the Child Care and Development Block Grant Act (42 U.S.C. 9858c(c)(2)(E)(ii)), as appropriate, for the center or individual;

(iii) outside monitoring of the center or individual; and

(iv) criteria that provide assurances of—

(I) compliance with age-appropriate health and safety standards at the center or by the individual;

(II) use of age-appropriate developmental and educational activities, as an integral part of the child care program carried out at the center or by the individual; and

(III) use of ongoing staff development or training activities for the staff of the center or the individual, including related skills-based testing.

(3) CREDENTIALED CHILD CARE PROFESSIONAL.—The term ''credentialed child care professional'' means—

(A) an individual who is credentialed, by a child care credentialing or accreditation entity recognized by a State, to provide child care to children in the State (except children who a tribal organization elects to serve through an individual described in subparagraph (B)); or

(B) an individual who is credentialed, by a child care credentialing or accreditation entity recognized by a tribal organization, to provide child care for children served by the tribal organization.

(4) STATE.—The term ''State'' has the meaning given the term in section 658P of the Child Care and Development Block Grant Act (42 U.S.C. 9858n).

(b) PROVIDING QUALITY CHILD CARE IN FEDERAL FACILITIES.—

(1) DEFINITIONS.—In this subsection:

(A) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of General Services.

(B) ENTITY SPONSORING A CHILD CARE CENTER.—The term ''entity sponsoring a child care center'' means a Federal agency that operates, or an entity that enters into a contract or licensing agreement with a Federal agency to operate, a child care center.

(C) EXECUTIVE AGENCY.—The term ''Executive agency'' has the meaning given the term in section 105 of title 5, United States Code, except that the term—

(i) does not include the Department of Defense; and

(ii) includes the General Services Administration, with respect to the administration of a facility described in subparagraph (D)(ii).

(D) EXECUTIVE FACILITY.—The term ''executive facility''—

(i) means a facility that is owned or leased by an Executive agency; and

(ii) includes a facility that is owned or leased by the General Services Administration on behalf of a judicial office.

(E) FEDERAL AGENCY.—The term ''Federal agency'' means an Executive agency, a judicial office, or a legislative office.

(F) JUDICIAL FACILITY.—The term ''judicial facility'' means a facility that is owned or leased by a judicial office (other than a facility that is also a facility described in subparagraph (D)(ii)).

(G) JUDICIAL OFFICE.—The term ''judicial office'' means an entity of the judicial branch of the Federal Government.

(H) LEGISLATIVE FACILITY.—The term ''legislative facility'' means a facility that is owned or leased by a legislative office.

(I) LEGISLATIVE OFFICE.—The term ''legislative office'' means an entity of the legislative branch of the Federal Government.

(2) EXECUTIVE BRANCH STANDARDS AND COMPLIANCE.—

(A) STATE AND LOCAL LICENSING REQUIREMENTS.—

(i) IN GENERAL.—Any entity sponsoring a child care center in an executive facility shall—

(I) obtain the appropriate State and local licenses for the center; and

(II) in a location where the State or locality does not license executive facilities, comply with the appropriate State and local licensing requirements related to the provision of child care.

(ii) COMPLIANCE.—Not later than 6 months after the date of enactment of this Act—

(I) the entity shall comply, or make substantial progress (as determined by the Administrator) toward complying, with clause (i); and

(II) any contract or licensing agreement used by an Executive agency for the operation of such a child care center shall include a condition that the child care be provided by an entity that complies with the appropriate State and local licensing requirements related to the provision of child care.

(B) HEALTH, SAFETY, AND FACILITY STANDARDS.—The Administrator shall by regulation establish standards relating to health, safety, facilities, facility design, and other aspects of child care that the Administrator determines to be appropriate for child care centers in executive facilities, and require child care centers, and entities sponsoring child care centers, in executive facilities to comply with the standards.

(C) ACCREDITATION STANDARDS.—

(i) IN GENERAL.—The Administrator shall issue regulations requiring, to the maximum extent possible, any entity sponsoring an eligible child care center (as defined by the Administrator) in an executive facility to comply with child care center accreditation standards issued by a nationally recognized accreditation organization approved by the Administrator.

(ii) COMPLIANCE.—The regulations shall require that, not later than 5 years after the date of enactment of this Act—

(I) the entity shall comply, or make substantial progress (as determined by the Administrator) toward complying, with the standards; and

(II) any contract or licensing agreement used by an Executive agency for the operation of such a child care center shall include a condition that the child care be provided by an entity that complies with the standards.

(iii) CONTENTS.—The standards shall base accreditation on—

(I) an accreditation instrument described in subsection (a)(2)(B);

(II) outside monitoring described in subsection (a)(2)(B), by—

(aa) the Administrator; or

(bb) a child care credentialing or accreditation entity, or other entity, with which the Administrator enters into a contract to provide such monitoring; and

(III) the criteria described in subsection (a)(2)(B).

(D) EVALUATION AND COMPLIANCE.—

(i) IN GENERAL.—The Administrator shall evaluate the compliance, with the requirements of subparagraph (A) and the regulations issued pursuant to subparagraphs (B) and (C), of child care centers, and entities sponsoring child care centers, in executive facilities. The Administrator may conduct the evaluation of such a child care center or entity directly, or through an agreement with another Federal agency or private entity, other than the Federal agency for which the child care center is providing services. If the Administrator determines, on the basis of such an evaluation, that the child care center or entity is not in compliance with the requirements, the Administrator shall notify the Executive agency.

(ii) EFFECT OF NONCOMPLIANCE.—On receipt of the notification of noncompliance issued by the Administrator, the head of the Executive agency shall—

(I) if the entity operating the child care center is the agency—

(aa) within 2 business days after the date of receipt of the notification, correct any deficiencies that are determined by the Administrator to be life threatening or to present a risk of serious bodily harm;

(bb) develop and provide to the Administrator a plan to correct any other deficiencies in the operation of the center and bring the center and entity into compliance with the requirements not later than 4 months after the date of receipt of the notification;

(cc) provide the parents of the children receiving child care services at the center with a notification detailing the deficiencies described in items (aa) and (bb) and actions that will be taken to correct the deficiencies;

(dd) bring the center and entity into compliance with the requirements and certify to the Administrator that the center and entity are in compliance, based on an onsite evaluation of the center conducted by an independent entity with expertise in child care health and safety; and

(ee) in the event that deficiencies determined by the Administrator to be life threatening or to present a risk of serious bodily harm cannot be corrected within 2 business days after the date of receipt of the notification, close the center or portion of the center where the deficiency was identified until such deficiencies are corrected and notify the Administrator of such closure; and

(II) if the entity operating the child care center is a contractor or licensee of the Executive agency—

(aa) require the contractor or licensee within 2 business days after the date of receipt of the notification, to correct any deficiencies that are determined by the Administrator to be life threatening or to present a risk of serious bodily harm:

(bb) require the contractor or licensee to develop and provide to the head of the agency a plan to correct any other deficiencies in the operation of the center and bring the center and entity into compliance with the requirements not later than 4 months after the date of receipt of the notification;

(cc) require the contractor or licensee to provide the parents of the children receiving child care services at the center with a notification detailing the deficiencies described in items (aa) and (bb) and actions that will be taken to correct the deficiencies;

(dd) require the contractor or licensee to bring the center and entity into compliance with the requirements and certify to the head of the agency that the center and entity are in compliance, based on an onsite evaluation of the center conducted by an independent entity with expertise in child care health and safety; and

(ee) in the event that deficiencies determined by the Administrator to be life threatening or to present a risk of serious bodily harm cannot be corrected within 2 business days after the date of receipt of the notification, close the center or portion of the center where the deficiency was identified until such deficiencies are corrected and notify the Administrator of such closure, which closure shall be grounds for the immediate termination or suspension of the contract or license of the contractor or licensee.

(iii) COST REIMBURSEMENT.—The Executive agency shall reimburse the Administrator for the costs of carrying out clause (i) for child care centers located in an executive facility other than an executive facility of the General Services Administration. If an entity is sponsoring a child care center for 2 or more Executive agencies, the Administrator shall allocate the costs of providing such reimbursement with respect to the entity among the agencies in a fair and equitable manner, based on the extent to which each agency is eligible to place children in the center.

(3) LEGISLATIVE BRANCH STANDARDS AND COMPLIANCE.—

(A) STATE AND LOCAL LICENSING REQUIREMENTS, HEALTH, SAFETY, AND FACILITY STANDARDS, AND ACCREDITATION STANDARDS.—The Architect of the Capitol shall issue regulations approved by the Committee on Rules and Administration of the Senate and the Committee on House Oversight of the House of Representatives for child care centers, and entities sponsoring child care centers, in legislative facilities, which shall be no less stringent in content and effect than the requirements of paragraph (2)(A) and the regulations issued by the Administrator under subparagraphs (B) and (C) of paragraph (2), except to the extent that the Architect with the consent and approval of the Committee on Rules and Administration of the Senate and the Committee on House Oversight of the House of Representatives, may determine, for good cause shown and stated together with the regulations, that a modification of such regulations would be more effective for the implementation of the requirements and standards described in subparagraphs (A), (B), and (C) of paragraph (2) for child care centers, and entities sponsoring child care centers, in legislative facilities.

(B) EVALUATION AND COMPLIANCE.—

(i) ARCHITECT OF THE CAPITOL.—The Architect of the Capitol shall have the same authorities and duties with respect to the evaluation of, compliance of, and cost reimbursement for child care centers, and entities sponsoring child care centers, in legislative facilities as the Administrator has under paragraph (2)(D) with respect to the evaluation of, compliance of, and cost reimbursement for such centers and entities sponsoring such centers, in executive facilities.

(ii) HEAD OF A LEGISLATIVE OFFICE.—The head of a legislative office shall have the same authorities and duties with respect to the compliance of and cost reimbursement for child care centers, and entities sponsoring child care centers, in legislative facilities as the head of an Executive agency has under paragraph (2)(D) with respect to the compliance of and cost reimbursement for such centers and entities sponsoring such centers, in executive facilities.

(4) JUDICIAL BRANCH STANDARDS AND COMPLIANCE.—

(A) STATE AND LOCAL LICENSING REQUIREMENTS, HEALTH, SAFETY, AND FACILITY STANDARDS, AND ACCREDITATION STANDARDS.—The Director of the Administrative Office of the United States Courts shall issue regulations for child care centers, and entities sponsoring child care centers, in judicial facilities, which shall be no less stringent in content and effect than the requirements of paragraph (2)(A) and the regulations issued by the Administrator under subparagraphs (B) and (C) of paragraph (2), except to the extent that the Director may determine, for good cause shown and stated together with the regulations, that a modification of such regulations would be more effective for the implementation of the requirements and standards described in subparagraphs (A), (B), and (C) of paragraph (2) for child care centers, and entities sponsoring child care centers, in judicial facilities.

(B) EVALUATION AND COMPLIANCE.—

(i) DIRECTOR OF THE ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS.—The Director of the Administrative Office of the United States Courts shall have the same authorities and duties with respect to the evaluation of, compliance of, and cost reimbursement for child care centers, and entities sponsoring child care centers, in judicial facilities as the Administrator has under paragraph (2)(D) with respect to the evaluation of, compliance of, and cost reimbursement for such centers and entities sponsoring such centers, in executive facilities.

(ii) HEAD OF A JUDICIAL OFFICE.—The head of a judicial office shall have the same authorities and duties with respect to the compliance of and cost reimbursement for child care centers, and entities sponsoring child care centers, in judicial facilities as the head of an Executive agency has under paragraph (2)(D) with respect to the compliance of and cost reimbursement for such centers and entities sponsoring such centers, in executive facilities.

(5) APPLICATION.—Notwithstanding any other provision of this section, if 8 or more child care centers are sponsored in facilities owned or leased by an Executive agency, the Administrator shall delegate to the head of the agency the evaluation and compliance responsibilities assigned to the Administrator under paragraph (2)(D)(i).

(6) TECHNICAL ASSISTANCE, STUDIES, AND REVIEWS.—The Administrator may provide technical assistance, and conduct and provide the results of studies and reviews, for Executive agencies, and entities sponsoring child care centers in executive facilities, on a reimbursable basis, in order to assist the entities in complying with this section. The Architect of the Capitol and the Director of the Administrative Office of the United States Courts may provide technical assistance, and conduct and provide the results of studies and reviews, or request that the Administrator provide technical assistance, and conduct and provide the results of studies and reviews, for legislative offices and judicial offices, respectively, and entities operating child care centers in legislative facilities and judicial facilities, respectively, on a reimbursable basis, in order to assist the entities in complying with this section.

(7) COUNCIL.—The Administrator shall establish an interagency council, comprised of all Executive agencies described in paragraph (5), a representative of the Office of Architect of the Capitol, and a representative of the Administrative Office of the United States Courts, to facilitate cooperation and sharing of best practices, and to develop and coordinate policy, regarding the provision of child care in the Federal Government.

(8) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $900,000 for fiscal year 1999 and such sums as may be necessary for each subsequent fiscal year.

TITLE VI—CHILD CARE IN FEDERAL FACILITIES

SEC. 601. SHORT TITLE.

This title may be cited as the ''Quality Child Care for Federal Employees Act''.

SEC. 602. PROVIDING QUALITY CHILD CARE IN FEDERAL FACILITIES.

(a) DEFINITION.—In this section:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of General Services.

(2) CHILD CARE ACCREDITATION ENTITY.—The term ''child care accreditation entity'' means a nonprofit private organization or public agency that—

(A) is recognized by a State agency or by a national organization that serves as a peer review panel on the standards and procedures of public and private child care or school accrediting bodies; and

(B) accredits a facility to provide child care on the basis of—

(i) an accreditation or credentialing instrument based on peer-validated research;

(ii) compliance with applicable State or local licensing requirements, as appropriate, for the facility;

(iii) outside monitoring of the facility; and

(iv) criteria that provide assurances of—

(I) use of developmentally appropriate health and safety standards at the facility;

(II) use of developmentally appropriate educational activities, as an integral part of the child care program carried out at the facility; and

(III) use of ongoing staff development or training activities for the staff of the facility, including related skills-based testing.

(3) ENTITY SPONSORING A CHILD CARE FACILITY.—The term ''entity sponsoring a child care facility'' means a Federal agency that operates, or an entity that enters into a contract or licensing agreement with a Federal agency to operate, a child care facility primarily for the use of Federal employees.

(4) EXECUTIVE AGENCY.—The term ''Executive agency'' has the meaning given the term in section 105 of title 5, United States Code, except that the term—

(A) does not include the Department of Defense and the Coast Guard; and

(B) includes the General Services Administration, with respect to the administration of a facility described in paragraph (5)(B).

(5) EXECUTIVE FACILITY.—The term ''executive facility''—

(A) means a facility that is owned or leased by an Executive agency; and

(B) includes a facility that is owned or leased by the General Services Administration on behalf of a judicial office.

(6) FEDERAL AGENCY.—The term ''Federal agency'' means an Executive agency, a legislative office, or a judicial office.

(7) JUDICIAL FACILITY.—The term ''judicial facility'' means a facility that is owned or

leased by a judicial office (other than a facility that is also a facility described in paragraph (4)(B)).

(8) JUDICIAL OFFICE.—The term ''judicial office'' means an entity of the judicial branch of the Federal Government.

(9) LEGISLATIVE FACILITY.—The term ''legislative facility'' means a facility that is owned or leased by a legislative office.

(10) LEGISLATIVE OFFICE.—The term ''legislative office'' means an entity of the legislative branch of the Federal Government.

(11) STATE.—The term ''State'' has the meaning given the term in section 658P of the Child Care and Development Block Grant Act (42 U.S.C. 9858n).

(b) EXECUTIVE BRANCH STANDARDS AND COMPLIANCE.—

(1) STATE AND LOCAL LICENSING REQUIREMENTS.—

(A) IN GENERAL.—Any entity sponsoring a child care facility in an executive facility shall—

(i) comply with child care standards described in paragraph (2) that, at a minimum, include all applicable State or local licensing requirements, as appropriate, related to the provision of child care in the State or locality involved; and

(ii) obtain the applicable State or local licenses, as appropriate, for the facility.

(B) COMPLIANCE.—Not later than 6 months after the date of enactment of this Act—

(i) the entity shall comply, or make substantial progress (as determined by the Administrator) toward complying, with subparagraph (A); and

(ii) any contract or licensing agreement used by an Executive agency for the provision of child care services in such child care facility shall include a condition that the child care be provided by an entity that complies with the standards described in subparagraph (A)(i) and obtains the licenses described in subparagraph (A)(ii).

(2) HEALTH, SAFETY, AND FACILITY STANDARDS.—The Administrator shall by regulation establish standards relating to health, safety, facilities, facility design, and other aspects of child care that the Administrator determines to be appropriate for child care in executive facilities, and require child care facilities, and entities sponsoring child care facilities, in executive facilities to comply with the standards. Such standards shall include requirements that child care facilities be inspected for, and be free of, lead hazards.

(3) ACCREDITATION STANDARDS.—

(A) IN GENERAL.—The Administrator shall issue regulations requiring, to the maximum extent possible, any entity sponsoring an eligible child care facility (as defined by the Administrator) in an executive facility to comply with standards of a child care accreditation entity.

(B) COMPLIANCE.—The regulations shall require that, not later than 2 years after the date of enactment of this Act—

(i) the entity shall comply, or make substantial progress (as determined by the Administrator) toward complying, with the standards; and

(ii) any contract or licensing agreement used by an Executive agency for the provision of child care services in such child care facility shall include a condition that the child care be provided by an entity that complies with the standards.

(4) EVALUATION AND COMPLIANCE.—

(A) IN GENERAL.—The Administrator shall evaluate the compliance, with the requirements of paragraph (1) and the regulations issued pursuant to paragraphs (2) and (3), as appropriate, of child care facilities, and entities sponsoring child care facilities, in executive facilities. The Administrator may conduct the evaluation of such a child care facility or entity directly, or through an agreement with another Federal agency or private entity, other than the Federal agency for which the child care facility is providing services. If the Administrator determines, on the basis of such an evaluation, that the child care facility or entity is not in compliance with the requirements, the Administrator shall notify the Executive agency.

(B) EFFECT OF NONCOMPLIANCE.—On receipt of the notification of noncompliance issued by the Administrator, the head of the Executive agency shall—

(i) if the entity operating the child care facility is the agency—

(I) not later than 2 business days after the date of receipt of the notification, correct any deficiencies that are determined by the Administrator to be life threatening or to present a risk of serious bodily harm;

(II) develop and provide to the Administrator a plan to correct any other deficiencies in the operation of the child care facility and bring the facility and entity into compliance with the requirements not later than 4 months after the date of receipt of the notification;

(III) provide the parents of the children receiving child care services at the child care facility and employees of the facility with a notification detailing the deficiencies described in subclauses (I) and (II) and actions that will be taken to correct the deficiencies, and post a copy of the notification in a conspicuous place in the facility for 5 working days or until the deficiencies are corrected, whichever is later;

(IV) bring the child care facility and entity into compliance with the requirements and certify to the Administrator that the facility and entity are in compliance, based on an onsite evaluation of the facility conducted by an independent entity with expertise in child care health and safety; and

(V) in the event that deficiencies determined by the Administrator to be life threatening or to present a risk of serious bodily harm cannot be corrected within 2 business days after the date of receipt of the notification, close the child care facility, or the affected portion of the facility, until such deficiencies are corrected and notify the Administrator of such closure; and

(ii) if the entity operating the child care facility is a contractor or licensee of the Executive agency—

(I) require the contractor or licensee, not later than 2 business days after the date of receipt of the notification, to correct any deficiencies that are determined by the Administrator to be life threatening or to present a risk of serious bodily harm;

(II) require the contractor or licensee to develop and provide to the head of the agency a plan to correct any other deficiencies in the operation of the child care facility and bring the facility and entity into compliance with the requirements not later than 4 months after the date of receipt of the notification;

(III) require the contractor or licensee to provide the parents of the children receiving child care services at the child care facility and employees of the facility with a notification detailing the deficiencies described in subclauses (I) and (II) and actions that will be taken to correct the deficiencies, and to post a copy of the notification in a conspicuous place in the facility for 5 working days or until the deficiencies are corrected, whichever is later;

(IV) require the contractor or licensee to bring the child care facility and entity into compliance with the requirements and certify to the head of the agency that the facility and entity are in compliance, based on an onsite evaluation of the facility conducted by an independent entity with expertise in child care health and safety; and

(V) in the event that deficiencies determined by the Administrator to be life threatening or to present a risk of serious bodily harm cannot be corrected within 2 business days after the date of receipt of the notification, close the child care facility, or the affected portion of the facility, until such deficiencies are corrected and notify the Administrator of such closure, which closure may be grounds for the immediate termination or suspension of the contract or license of the contractor or licensee.

(C) COST REIMBURSEMENT.—The Executive agency shall reimburse the Administrator for the costs of carrying out subparagraph (A) for child care facilities located in an executive facility other than an executive facility of the General Services Administration. If an entity is sponsoring a child care facility for 2 or more Executive agencies, the Administrator shall allocate the costs of providing such reimbursement with respect to the entity among the agencies in a fair and equitable manner, based on the extent to which each agency is eligible to place children in the facility.

(5) DISCLOSURE OF PRIOR VIOLATIONS TO PARENTS AND FACILITY EMPLOYEES.—The Administrator shall issue regulations that require that each entity sponsoring a child care facility in an executive facility, upon receipt by the child care facility or the entity (as applicable) of a request by any individual who is a parent of any child enrolled at the facility, a parent of a child for whom an application has been submitted to enroll at the facility, or an employee of the facility, shall provide to the individual—

(A) copies of all notifications of deficiencies that have been provided in the past with respect to the facility under clause (i)(III) or (ii)(III), as applicable, of paragraph (4)(B); and

(B) a description of the actions that were taken to correct the deficiencies.

(c) LEGISLATIVE BRANCH STANDARDS AND COMPLIANCE.—

(1) STATE AND LOCAL LICENSING REQUIREMENTS, HEALTH, SAFETY, AND FACILITY STANDARDS, AND ACCREDITATION STANDARDS.—

(A) IN GENERAL.—The Chief Administrative Officer of the House of Representatives shall issue regulations, approved by the Committee on House Oversight of the House of Representatives, governing the operation of the House of Representatives Child Care Center. The Librarian of Congress shall issue regulations, approved by the appropriate House and Senate committees with jurisdiction over the Library of Congress, governing the operation of the child care center located at the Library of Congress. Subject to paragraph (3), the head of a designated entity in the Senate shall issue regulations, approved by the Committee on Rules and Administration of the Senate, governing the operation of the Senate Employees' Child Care Center.

(B) STRINGENCY.—The regulations described in subparagraph (A) shall be no less stringent in content and effect than the requirements of subsection (b)(1) and the regulations issued by the Administrator under paragraphs (2) and (3) of subsection (b), except to the extent that appropriate administrative officers, with the approval of the appropriate House or Senate committees with oversight responsibility for the centers, may jointly or independently determine, for good cause shown and stated together with the regulations, that a modification of such regulations would be more effective for the implementation of the requirements and standards described in paragraphs (1), (2), and (3) of subsection (b) for child care facilities, and entities sponsoring child care facilities, in the corresponding legislative facilities.

(2) EVALUATION AND COMPLIANCE.—

(A) ADMINISTRATION.—Subject to paragraph (3), the Chief Administrative Officer of the House of Representatives, the head of the designated Senate entity, and the Librarian of Congress, shall have the same authorities and duties—

(i) with respect to the evaluation of, compliance of, and cost reimbursement for child care facilities, and entities sponsoring child care facilities, in the corresponding legislative facilities as the Administrator has under subsection (b)(4) with respect to the evaluation of, compliance of, and cost reimbursement for such facilities and entities sponsoring such facilities, in executive facilities; and

(ii) with respect to issuing regulations requiring the entities sponsoring child care facilities in the corresponding legislative facilities to provide notifications of deficiencies and descriptions of corrective actions as the Administrator has under subsection (b)(5) with respect to issuing regulations requiring the entities sponsoring child care facilities in executive facilities to provide notifications of deficiencies and descriptions of corrective actions.

(B) ENFORCEMENT.—Subject to paragraph (3), the Committee on House Oversight of the House of Representatives and the Committee on Rules and Administration of the Senate, as appropriate, shall have the same authorities and duties with respect to the compliance of and cost reimbursement for child care facilities, and entities sponsoring child care facilities, in the corresponding legislative facilities as the head of an Executive agency has under subsection (b)(4) with respect to the compliance of and cost reimbursement for such facilities and entities sponsoring such facilities, in executive facilities.

(3) INTERIM STATUS.—Until such time as the Committee on Rules and Administration of the Senate establishes, or the head of the designated Senate entity establishes, standards described in paragraphs (1), (2), and (3) of subsection (b) governing the operation of the Senate Employees' Child Care Center, such facility shall maintain current accreditation status.

(d) JUDICIAL BRANCH STANDARDS AND COMPLIANCE.—

(1) STATE AND LOCAL LICENSING REQUIREMENTS, HEALTH, SAFETY, AND FACILITY STANDARDS, AND ACCREDITATION STANDARDS.—The Director of the Administrative Office of the United States Courts shall issue regulations for child care facilities, and entities sponsoring child care facilities, in judicial facilities, which shall be no less stringent in content and effect than the requirements of subsection (b)(1) and the regulations issued by the Administrator under paragraphs (2) and (3) of subsection (b), except to the extent that the Director may determine, for good cause shown and stated together with the regulations, that a modification of such regulations would be more effective for the implementation of the requirements and standards described in paragraphs (1), (2), and (3) of subsection (b) for child care facilities, and entities sponsoring child care facilities, in judicial facilities.

(2) EVALUATION AND COMPLIANCE.—

(A) DIRECTOR OF THE ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS.—The Director of the Administrative Office of the United States Courts shall have the same authorities and duties—

(i) with respect to the evaluation of, compliance of, and cost reimbursement for child care facilities, and entities sponsoring child care facilities, in judicial facilities as the Administrator has under subsection (b)(4) with respect to the evaluation of, compliance of, and cost reimbursement for such facilities and entities sponsoring such facilities, in executive facilities; and

(ii) with respect to issuing regulations requiring the entities sponsoring child care facilities in the judicial facilities to provide notifications of deficiencies and descriptions of corrective actions as the Administrator has under subsection (b)(5) with respect to issuing regulations requiring the entities sponsoring child care facilities in executive facilities to provide notifications of deficiencies and descriptions of corrective actions.

(B) HEAD OF A JUDICIAL OFFICE.—The head of a judicial office shall have the same authorities and duties with respect to the compliance of and cost reimbursement for child care facilities, and entities sponsoring child care facilities, in judicial facilities as the head of an Executive agency has under subsection (b)(4) with respect to the compliance of and cost reimbursement for such facilities and entities sponsoring such facilities, in executive facilities.

(e) APPLICATION.—Notwithstanding any other provision of this section, if 8 or more child care facilities are sponsored in facilities owned or leased by an Executive agency, the Administrator shall delegate to the head of the agency the evaluation and compliance responsibilities assigned to the Administrator under subsection (b)(4)(A).

(f) TECHNICAL ASSISTANCE, STUDIES, AND REVIEWS.—The Administrator may provide technical assistance, and conduct and provide the results of studies and reviews, for Executive agencies, and entities sponsoring child care facilities in executive facilities, on a reimbursable basis, in order to assist the entities in complying with this section. The Chief Administrative Officer of the House of Representatives, the Librarian of Congress, the head of the designated Senate entity described in subsection (c), and the Director of the Administrative Office of the United States Courts may provide technical assistance, and conduct and provide the results of studies and reviews, or request that the Administrator provide technical assistance, and conduct and provide the results of studies and reviews, for the corresponding legislative offices and judicial offices, and entities operating child care facilities in the corresponding legislative facilities and judicial facilities, on a reimbursable basis, in order to assist the entities in complying with this section.

(g) COUNCIL.—The Administrator shall establish an interagency council, comprised of representatives of all Executive agencies that are entities sponsoring child care facilities, a representative of the Chief Administrative Officer of the House of Representatives, a representative of the designated Senate entity described in subsection (c), a representative of the Librarian of Congress, and a representative of the Administrative Office of the United States Courts, to facilitate cooperation and sharing of best practices, and to develop and coordinate policy, regarding the provision of child care, including the provision of areas for nursing mothers and other lactation support facilities and services, in the Federal Government.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $900,000 for fiscal year 2000 and such sums as may be necessary for each subsequent fiscal year.

SEC. 603. CHILD CARE SERVICES FOR FEDERAL EMPLOYEES.

(a) IN GENERAL.—In addition to services authorized to be provided by an agency of the United States pursuant to section 616 of Public Law 100–202 (40 U.S.C. 490b), an Executive agency that provides or proposes to provide child care services for Federal employees may use agency funds to provide the child care services, in a facility that is owned or leased by an Executive agency, or through a contractor, for civilian employees of such agency.

(b) AFFORDABILITY.—Funds so used with respect to any such facility or contractor shall be applied to improve the affordability of child care for lower income Federal employees using or seeking to use the child care services offered by such facility or contractor.

(c) REGULATIONS.—The Director of the Office of Personnel Management, and the Administrator of the General Services Administration, shall, within 180 days after the date of enactment of this Act, jointly issue regulations necessary to carry out this section.

(d) DEFINITION.—For purposes of this section, the term ''Executive agency'' has the meaning given the term in section 105 of title 5, United States Code, but does not include the General Accounting Office.

SEC. 604. MISCELLANEOUS PROVISIONS RELATING TO CHILD CARE PROVIDED BY FEDERAL AGENCIES.

(a) AVAILABILITY OF FEDERAL CHILD CARE CENTERS FOR ONSITE CONTRACTORS; PERCENTAGE GOAL.—Section 616(a) of Public Law 100–202 (40 U.S.C. 490b(a)) is amended—

(1) in subsection (a), by striking paragraphs (2) and (3) and inserting the following:

''(2) such officer or agency determines that such space will be used to provide child care and related services to—

''(A) children of Federal employees or onsite Federal contractors; or

''(B) dependent children who live with Federal employees or onsite Federal contractors; and

''(3) such officer or agency determines that such individual or entity will give priority for available child care and related services in such space to Federal employees and onsite Federal contractors.''; and

(2) by adding at the end the following:

''(e)(1)(A) The Administrator of General Services shall confirm that at least 50 percent of aggregate enrollment in Federal child care centers governmentwide are children of Federal employees or onsite Federal contractors, or dependent children who live with Federal employees or onsite Federal contractors.

''(B) Each provider of child care services at an individual Federal child care center shall maintain 50 percent of the enrollment at the center of children described under subparagraph (A) as a goal for enrollment at the center.

''(C) If enrollment at a center does not meet the percentage goal under subparagraph (B), the provider shall develop and implement a business plan with the sponsoring Federal agency to achieve the goal within a reasonable timeframe. Such plan shall be approved by the Administrator of General Services based on—

''(i) compliance of the plan with standards established by the Administrator; and

''(ii) the effect of the plan on achieving the aggregate Federal enrollment percentage goal.

''(2) The Administrator of General Services Administration may enter into public-private partnerships or contracts with nongovernmental entities to increase the capacity, quality, affordability, or range of child care and related services and may, on a demonstration basis, waive subsection (a)(3) and paragraph (1) of this subsection.''.

(b) PAYMENT OF COSTS OF TRAINING PROGRAMS.—Section 616(b)(3) of such Public Law (40 U.S.C. 490b(b)(3)) is amended to read as follows:

''(3) If an agency has a child care facility in its space, or is a sponsoring agency for a child care facility in other Federal or leased space, the agency or the General Services

Administration may pay accreditation fees, including renewal fees, for that center to be accredited. Any agency, department, or instrumentality of the United States that provides or proposes to provide child care services for children referred to in subsection (a)(2), may reimburse any Federal employee or any person employed to provide such services for the costs of training programs, conferences, and meetings and related travel, transportation, and subsistence expenses incurred in connection with those activities. Any per diem allowance made under this section shall not exceed the rate specified in regulations prescribed under section 5707 of title 5, United States Code.''.

(c) PROVISION OF CHILD CARE BY PRIVATE ENTITIES.—Section 616(d) of such Public Law (40 U.S.C. 490b(d)) is amended to read as follows:

''(d)(1) If a Federal agency has a child care facility in its space, or is a sponsoring agency for a child care facility in other Federal or leased space, the agency, the child care center board of directors, or the General Services Administration may enter into an agreement with 1 or more private entities under which such private entities would assist in defraying the general operating expenses of the child care providers including salaries and tuition assistance programs at the facility.

''(2)(A) Notwithstanding any other provision of law, if a Federal agency does not have a child care program, or if the Administrator of General Services has identified a need for child care for Federal employees at an agency providing child care services that do not meet the requirements of subsection (a), the agency or the Administrator may enter into an agreement with a non-Federal, licensed, and accredited child care facility, or a planned child care facility that will become licensed and accredited, for the provision of child care services for children of Federal employees.

''(B) Before entering into an agreement, the head of the Federal agency shall determine that child care services to be provided through the agreement are more cost effectively provided through such arrangement than through establishment of a Federal child care facility.

''(C) The agency may provide any of the services described in subsection (b)(3) if, in exchange for such services, the facility reserves child care spaces for children referred to in subsection (a)(2), as agreed to by the parties. The cost of any such services provided by an agency to a child care facility on behalf of another agency shall be reimbursed by the receiving agency.

''(3) This subsection does not apply to residential child care programs.''.

(d) PILOT PROJECTS.—Section 616 of such Public Law (40 U.S.C. 490b) is further amended by adding at the end the following:

''(f)(1) Upon approval of the agency head, an agency may conduct a pilot project not otherwise authorized by law for no more than 2 years to test innovative approaches to providing alternative forms of quality child care assistance for Federal employees. An agency head may extend a pilot project for an additional 2-year period. Before any pilot project may be implemented, a determination shall be made by the agency head that initiating the pilot project would be more cost-effective than establishing a new child care facility. Costs of any pilot project shall be borne solely by the agency conducting the pilot project.

''(2) The Administrator of General Services shall serve as an information clearinghouse for pilot projects initiated by other agencies to disseminate information concerning the pilot projects to the other agencies.

''(3) Within 6 months after completion of the initial 2-year pilot project period, an agency conducting a pilot project under this subsection shall provide for an evaluation of the impact of the project on the delivery of child care services to Federal employees, and shall submit the results of the evaluation to the Administrator of General Services. The Administrator shall share the results with other Federal agencies.''.

(e) BACKGROUND CHECK.—Section 616 of such Public Law (40 U.S.C. 490b) is further amended by adding at the end the following:

''(g) Each child care center located in a federally owned or leased facility shall ensure that each employee of such center (including any employee whose employment began before the date of enactment of this subsection) shall undergo a criminal history background check consistent with section 231 of the Crime Control Act of 1990 (42 U.S.C. 13041).''.

SEC. 605. REQUIREMENT TO PROVIDE LACTATION SUPPORT IN NEW FEDERAL CHILD CARE FACILITIES.

(a) DEFINITIONS.—In this section, the terms ''Federal agency'', ''executive facility'', ''judicial facility'', and ''legislative facility'' have the meanings given the terms in section 602.

(b) LACTATION SUPPORT.—The head of each Federal agency shall require that each child care facility in an executive facility or a legislative facility that is first operated after the 1-year period beginning on the date of enactment of this Act by the Federal agency, or under a contract or licensing agreement with the Federal agency, shall provide reasonable accommodations for the needs of breast-fed infants and their mothers, including providing a lactation area or a room for nursing mothers in part of the operating plan for the facility.

SEC. 606. FEDERAL CHILD CARE EVALUATION.

(a) DEFINITIONS.—In this section, the terms ''executive facility'', ''judicial facility'', and ''legislative facility'' have the meanings given the terms in section 602.

(b) EVALUATION.—Not later than 1 year after the date of enactment of this Act, the Administrator of the General Services Administration and the Director of the Office of Personnel Management, shall jointly prepare and submit to Congress a report that contains an evaluation, including—

(1) information on the number of children utilizing child care in an executive facility, legislative facility, or judicial facility, including such children who are age 6 through 12, analyzed by age;

(2) information on the number of families not utilizing child care described in paragraph (1) because of cost; and

(3) recommendations for improving the quality and cost effectiveness of child care described in paragraph (1), including options for creating an optimal organizational structure and best practices for the delivery of such child care.

STATEMENT BY THE PRESIDENT

Tonight, in my State of the Union address, I will outline my agenda to help parents struggling to meet their responsibilities at work and at home. This agenda includes an ambitious initiative to make child care safer, better, and more affordable for America's working families. Today, Senator CHRISTOPHER J. DODD (D–CT) and many of his Democratic colleagues in the Senate have taken an important step toward reaching that goal by introducing the Affordable Child Care for Early Success and Security Act (A.C.C.E.S.S.).

This proposal, like mine, significantly increases child care subsidies for poor children, provides greater tax relief to help low- and middle-income families pay for child care and to support parents who chose to stay at home to care for their young children. This plan dramatically increases after-school opportunities, encourages businesses to provide child care for their employees, promotes early learning and school readiness, and improves child care quality.

The Child Care A.C.C.E.S.S. Act builds on the longstanding commitment of Senator DODD and the co-sponsors of this legislation to improving child care for our Nation's children. I look forward to working with Members of Congress in both parties to enact child care legislation this year that will help Americans fulfill their responsibilities as workers, and, even more importantly, as parents.

DEAR SENATOR DODD: The Children's Defense Fund welcomes the introduction of the ACCESS Act. If enacted, it would not only provide significant help to families with young and school-age children, but would also provide communities with important new resources to improve the quality of child care. It would represent a major step by the Congress to recognize the importance of child care in helping to ensure that children begin school ready to succeed and that parents can work and be independent.

Thank you for your continued leadership on behalf of children. We look forward to working with you towards the passage of this landmark bill.

Sincerely yours,

MARIAN WRIGHT EDELMAN.

DEAR SENATOR DODD: We are writing to express our enthusiastic support for your comprehensive child care legislation, the Affordable Child Care for Early Success and Security (''ACCESS'') Act. As an organization that has been working for over 25 years to improve economic security for women, we know the profound interest that women and their families have in the enactment of effective child care policies. At a time when seven out of ten American women with children work in the paid labor force, it is more critical than ever that families have access to affordable, high-quality child care that will help their children learn and grow.

The child care package you are proposing represents a much-needed new investment in affordable, high-quality child care for America's families. The new funding your bill would add to the Child Care and Development Block Grant will help expand the supply of quality care, especially for infants and toddlers, as well as increase the range of options for the care of school-age children. Your bill's expansion of the Child and Dependent Care Tax Credit, particularly by making the credit refundable, would be of significant assistance in making child care more affordable for millions of families.

We believe that this Congress presents an extraordinary opportunity to move forward on child care, and we hope that members of both parties in both Houses of Congress will come together to make it happen. Your legislation is a major step toward that goal, and we look forward to working with you in the days to come.

Sincerely,

NANCY DUFF CAMPBELL,
Co-President.
JUDITH C. APPELBAUM,
Vice President and Director of Employment Opportunity.
CRISTINA FIRVIDA,
Counsel.

By Mr. HARKIN (for himself, Mr. DASCHLE, Mr. JOHNSON, Ms. MIKULSKI, Mr. KENNEDY, Mr.

TORRICELLI, Mr. DURBIN, Mr. LEAHY, Mrs. BOXER, Mr. DORGAN, Mr. WELLSTONE, Mr. BRYAN, Mr. MOYNIHAN, and Mr. KERRY):

S. 18. A bill to amend the Federal Meat Inspection Act and the Poultry Products Inspection Act to provide for improved public health and food safety through enhanced enforcement; to the Committee on Agriculture, Nutrition, and Forestry.

SAFER MEAT AND POULTRY ACT

Mr. HARKIN. Mr. President, I am pleased to introduce S. 18 as part of the Democratic package, the SAFER Meat and Poultry Act, a bill that will make meat and poultry products safer for our families and our children. The bill provisions are simple, obvious authorities the USDA needs to assure that meat and poultry products are as safe as possible.

In 1998, we had a record 13 recalls for deadly E. coli 0157:H7, involving more than 2 million pounds of meat products. Tragically, just over the recent holidays, a nationwide outbreak of Listeria was recognized, leading to the massive recall of hotdogs and cold cuts. At least a dozen people lost their lives during that outbreak just over the recent holiday season.

Just last Friday, another recall for Listeria was announced. So despite the progress we have made in controlling some foodborne pathogens through improved meat inspection laws, problems with other pathogens may be getting worse.

Mr. President, the bill really is targeted at kids, because it is our kids who are the most vulnerable. And this chart shows that. These are the numbers of cases just for the State of Iowa. And as you see by age, here is the number of cases. Here are the ages: 0 to 5, 6 to 10, up to 80 years of age. You can see, the bulk of the illnesses from foodborne pathogens happens when you are less than 6 years of age—our kids who have not built up the immunity that they need that get the sickest from these foodborne pathogens. This is for Salmonella, E. coli, and Campylobacter. It is really necessary to protect our children from these pathogens.

S. 18 strengthens our laws in a number of ways. One is to give the Secretary of Agriculture the authority to mandate a recall. Most people assume that the Secretary has this authority, but he does not. Some argue that a packer or distributor will recall the tainted meat voluntarily, but recalls don't always go smoothly.

In June of last year, a company challenged the USDA on a Federal test for E. coli. The Federal test showed E. coli was there. The company said no, it was not. They contested it. And, therefore, valuable time was lost in recalling that meat product.

Consumers were shocked in 1997 by the largest recall in history, when a Hudson plant recalled 25 million pounds of ground beef linked to illnesses.

When the Secretary of Agriculture is given recall authority, he can mandate what tasks must be done and whose responsibility these tasks will be. Communication is the most essential element of a timely recall.

Another provision of the bill gives the Secretary the authority to levy civil fines for violations of meat and poultry laws. Right now, all the Secretary can do is close a plant down. That may not be the wisest course of action. You have people working there. It would put people out of work. The problem may not be their fault at all.

Last year, the USDA referred dozens of cases for criminal prosecution for violation of meat and poultry laws. So clearly the current authorities are not an adequate incentive to protect consumer safety.

I have here a chart, Mr. President, that shows what civil penalty authority the Secretary has. For example, if there is an introduction of an animal disease anywhere in the United States, the Secretary of Agriculture can levy a fine. If you mistreat an animal, you can be fined by the Secretary of Agriculture. If you have a deceptive practice, if you violate the Pecan Promotion Act, you can be fined by the Secretary of Agriculture. But if you violate the food safety laws, you cannot be fined.

Civil fines are consistent with the new HACCP regulation for meat and poultry processing, and provide a ''just right'' option for the Secretary to assure compliance with food safety laws.

What the Secretary has is an atom bomb. He can drop the atom bomb and close the plant down, which may not be the best course of action, but he cannot levy a civil fine, which may be the best action for certain violations.

Finally, the bill requires, Mr. President, that someone who knows about a contaminated food product, other than a consumer, must notify the Secretary of Agriculture. These are commonsense authorities.

Last year we saw a 50% increase in outbreaks, and a record number of recalls for the deadly E. coli O157–H7 in ground beef. More and more testing is done by grocery stores, and by purchasers for school lunch programs and restaurant chains. This bill would require that these parties notify the Secretary of Agriculture when there is a positive test. This law would allow public health authorities to oversee a recall that is timely and complete, and truly protects people from devastating illness.

These are common sense authorities that most consumers assume the Secretary already has. I hope my colleagues will join me in supporting this important piece of food safety legislation.

I also wish to indicate my strong support for legislation introduced today that will help restore and enhance farm income protection. Our farm sector, including livestock and crop production, is experiencing one of the worst downturns in over a decade. Pork producers have just experienced the worst real hog prices in history. There's a critical need for Congress to respond to this financial crisis that is threatening the livelihoods and life savings of America's farm families, and eroding the economies of rural communities.

I hope my colleagues will join me in supporting this good, important piece of food safety legislation.

Mr. KENNEDY. Mr. President, I am pleased to be a sponsor of this important bill, and I commend Senator HARKIN for his leadership on this issue. With the high incidence of foodborne illnesses, it is essential for regulatory agencies to have the authority necessary to prevent or minimize outbreaks of these illnesses, and combat food contamination.

Microbial contamination of food is an increasing problem. The emergence of highly virulent strains of common bacteria, such as E. coli 0157, is a significant cause of foodborne illnesses. Common infections that were once easily treatable are now a major public health threat, as the microorganisms acquire the ability to resist destruction by antibiotics.

The current enforcement authority of the Department of Agriculture is not sufficient. Our bill gives the Secretary of Agriculture the additional authority he needs in order to recall adulterated or misbranded meat or poultry products, and to assess civil penalties against processors who repeatedly violate meat and poultry safety standards. Most processors comply responsibly with USDA requests for voluntary recalls of unsafe products. This additional authority will ensure more timely and comprehensive removal of potentially dangerous foods from supermarket shelves.

Such new enforcement tools are necessary to improve food safety in general and to reduce the risk of future outbreaks of foodborne illnesses. Families across the country deserve to have confidence that the meat and poultry they eat are safe, and I look forward to early action by Congress on this important legislation.

Assurance of safe meat and poultry is just one part of the challenge of guaranteeing safe food. The safety of produce and of processed food, including imported food, is the responsibility of the Food and Drug Administration and a major part of President Clinton's Food Safety Initiative. I plan to develop legislation, in cooperation with other Senators, to ensure that no matter where our food is grown, processed, or packaged, it meets uniform high standards of safety.

By Mr. LAUTENBERG (for himself, Mr. DASCHLE, Mr. BAUCUS, Mr. LEVIN, Mr. REID, Mr. ROCKEFELLER, Mr. TORRICELLI, Ms. MIKULSKI, Mr. BREAUX, Mrs. MURRAY, Mr. SCHUMER, Mrs. BOXER, Mr. SARBANES, Mr. DURBIN, Mr. LEAHY, Mr. WYDEN, Mr. BRYAN, and Mr. MOYNIHAN):

S. 20. A bill to assist the States and local governments in assessing and remediating brownfield sites and encouraging environmental cleanup programs, and for other purposes; to the Committee on Environment and Public Works.

THE BROWNFIELDS AND ENVIRONMENTAL CLEANUP ACT OF 1999

Mr. LAUTENBERG. Mr. President, today, along with Senators DASCHLE, BAUCUS, REID, BOXER, WYDEN, BREAUX, BRYAN, LEVIN, MURRAY, SCHUMER, TORRICELLI, MIKULSKI, DURBIN, LEAHY, ROCKEFELLER, SARBANES, KENNEDY, and LIEBERMAN, I am introducing the Brownfields and Environmental Cleanup Act of 1999. This legislation is designed to foster the cleanup of potentially thousands of toxic waste sites across the country. Just as importantly, this bill is about jobs, revenue and economic opportunity, because it will help turn abandoned industrial sites into engines of economic development.

Mr. President, I have been interested for a long time now in the issue of these abandoned, underutilized and contaminated industrial sites, commonly known as brownfields. Our Nation's great industrial tradition was the lifeblood of our Nation's economy. But this industrial tradition also entailed tremendous environmental costs. Sites were contaminated, and then when the manufacturers, the companies left, the legacy remained behind. Today, decaying industrial plants define the skyline and contaminate the land in many of our urban areas. Their rusting frames, like aging skyscrapers, are a silent reminder of those manufacturers that left, taking inner-city jobs and often inner-city hope with them.

However, ''brownfields'' as we have come to know them, can be found anywhere—in the inner cities, the suburbs and in rural areas. Any time that an industry leaves an area or a business goes out of business we face the specter of the unknown—they contaminate not only the aesthetics of the area but also the opportunity for jobs and for business investment. This bill provides the means to help investigate and facilitate funding for the cleanup of these areas, wherever they are found.

I continue to feel as I did when I introduced similar legislation in 1993, 1996, and again in 1997, that a brownfields cleanup program can spur significant economic development and create jobs. The nation's Mayors have estimated that they lose between $200 and $500 million a year in tax revenues from brownfields sitting idle, and that returning these sites to productive use could create some 236,000 new jobs. Each day that Congress fails to act on brownfields liability, it deprives our cities of unique redevelopment opportunities. This type of cleanup initiative makes good environmental sense and good business sense.

A pilot project in Cleveland resulted in $3.2 million in private investment, a $1 million increase on the local tax base, and more than 170 new jobs. In Elizabeth, NJ, a former municipal landfill is being turned into a major mall with 5,000 employees.

Mr. President, the potential for job creation across the country is enormous, and every revitalized brownfields may represent for someone a field of dreams, especially to an unemployed urban worker.

But this bill is not about jobs alone. Brownfield cleanup also means that dangerous contaminants are removed from our environment, and future generations are not left with unknown problems and unused properties.

On the other hand, the risks posed by many of these sites may be relatively low and others even nonexistent, because brownfields are often abandoned or underutilized industrial or commercial sites where expansion or redevelopment is complicated by just the perception of environmental contamination. But their full economic use is being stymied because there is no ready mechanism for getting them evaluated or, if necessary, cleaned up, even when the owner of the property is ready, willing and eager to do so.

In addition, prospective purchasers and developers are reluctant to get involved in transactions with these properties because of their concern, however minimal, they might potentially create environmental liability.

The challenge is to turn these abandoned properties into thriving businesses that can generate needed jobs and act as a catalyst for economic development.

My legislation would provide financial assistance in the form of grants to local and State governments to inventory and evaluate brownfields sites. This would enable interested parties to know what would be required to clean the site and what reuse would best suit the property.

My bill would also provide grants to State and local governments to establish and capitalize low-interest loan programs. These funds would be loaned to prospective purchasers, municipalities and others to facilitate voluntary cleanup actions where traditional lending mechanisms may not be available. The minimum seed money involved in the program would leverage substantial economic payoffs, as well as turning lands which may be of negative worth into assets for the future.

The bill also would limit the potential liability of innocent buyers of these properties, and it would set a standard to gauge when parties couldn't have reasonably known that the property was contaminated. It would also provide Superfund liability relief to persons who own property next door to a brownfields property, so long as the person did not cause the release and exercises appropriate care.

Mr. President, for several Congresses there has been bipartisan interest in addressing brownfields, both in the Senate and in the other body on the other side of the Capitol. I am hopeful we can move this legislation forward in a cooperative way with support of Members on both sides of the aisle.

I urge my colleagues to co-sponsor this legislation.

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

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

BROWNFIELDS AND ENVIRONMENTAL CLEANUP ACT OF 1999—SUMMARY

Provides funds to local governments and others for brownfield site assessment and cleanup; and

provides liability relief for prospective purchasers, innocent landowners and contiguous property owners.

TITLE I: BROWNFIELDS CLEANUP

Authorizes $35 million per year from the Superfund for 5 years for grants to local governments, States and Indian tribes to inventory and assess the contamination at brownfields sites; and authorizes $50 million per year from the Superfund for 5 years for local governments, States and Indian tribes to capitalize revolving loan funds for cleanup of brownfield sites.

TITLE II: PROSPECTIVE PURCHASERS

Provides Superfund liability relief for prospective purchasers of sites who are not responsible for contamination and do not impede the performance of a cleanup or restoration at a site they acquire after enactment of this bill, *provided* that prior to acquisition they made all appropriate inquiry into prior uses and ownership of the facility, exercise appropriate care with respect to hazardous substances, and provide cooperation and access to persons authorized to clean up the site.

TITLE III: INNOCENT LANDOWNERS

Clarifies relief from Superfund liability for landowners who had no reason to know of contamination at the time or purchase, despite having made all appropriate inquiry into prior ownership and use of the facility. Provides that the ''appropriate inquiry'' requirement is satisfied by conducting an environmental site assessment that meets specified standards within 180 days prior to acquisition of the property.

TITLE IV: CONTIGUOUS PROPERTY OWNERS

Provides Superfund liability relief for persons who own or operate property that is contaminated solely due to a release from contiguous property, so long as the person did not cause or contribute to the release, and exercised appropriate care with respect to hazardous substances.

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

S. 21. A bill to reduce social security payroll taxes, and for other purposes; to the Committee on Finance.

SOCIAL SECURITY SOLVENCY ACT OF 1999

Mr. MOYNIHAN. Mr. President, I join my distinguished colleague, Senator BOB KERREY of Nebraska, in reintroducing legislation that would preserve Social Security and make it solvent permanently, while providing a

payroll tax cut of about $800 billion over the next ten years.

Last March, Senator KERREY and I introduced a nearly identical bill—S. 1792, The Social Security Solvency Act of 1998. And in July of 1998 Senators GREGG and BREAUX introduced S. 2313, The 21st Century Retirement Security Plan, with a companion bill introduced in the House by Congressmen KOBLE and STENHOLM. All of these bills attempt to steer a mid-course between those who seek to maintain the current system (albeit with some traditional modifications of payroll tax rates and benefits) and those who seek to replace Social Security with private accounts. The Moynihan/Kerrey and Gregg/Breaux/Koble/Stenholm bills are quite similar. In September of last year I, along with Senators GREGG, BREAUX, KERREY, COATS, ROBB, THOMAS, and THOMPSON formed a Bipartisan Social Security Coalition. In a ''Dear Colleague'' we argued that a number of principles have guided us in our efforts to build a consensus on the future of Social Security including:

A payroll tax cut for all working Americans, with an opportunity for all workers to invest in personal savings account; Payroll tax rates set so that annual revenues closely match annual outlays throughout the actuarial valuation period; A progressive benefit formula; Accurate cost-of-living adjustments; Repeal of the earnings test so that beneficiaries are free to work while collecting benefits; and Permanent solvency for the Social Security program with a reduction in the Federal Government's unfunded liabilities.

For those who care, as we do, about preserving this vital program, I would simply suggest that without these changes, Social Security as we know it will not survive. For some 20 years now, opinion polls have shown that a majority of non-retired adults do not believe they will get their Social Security when they retire. Ask anyone on the street; ask anyone in their thirties or forties. They are convinced that Social Security will not be there for them. In one sense, they have good reason to think so: the Social Security Trustees so state in their most recent annual report released in April, 1998, which pointedly notes that:

* * * in 2034, tax income of OASI (Social Security) is estimated to be sufficient to pay about ¾ of program costs; that ratio is projected to decline to about ⅔ by the end of the projection period.

Lack of confidence is partially the result of neglect by a Social Security Administration that has made little effort to stay in touch with Americans before retirement. But there is also a more powerful influence at work: a serious ideological movement opposed to government social insurance as a threat to individual initiative and, indeed, liberty. There is now abroad a powerful set of distinguished political leaders and academics who would turn the 60-year-old system of Social Security retirement, disability, and survivors benefits over to a system that depends solely on personal savings invested in the market.

This is a legitimate idea, with respectable intellectual support. (One thinks of the energetic work of Martin Feldstein, who 20 years ago argued that ''Social Security significantly depresses private wealth accumulation.'') It is an idea that has gained world-wide recognition. Since 1988, workers in the United Kingdom had been permitted to opt out of a part of the Social Security system, if they sign up for some personal retirement savings plans similar to our IRAs or 401(k) arrangements. In Sweden, the model welfare state, a pension reform plan that includes a mandatory private pension component equal to 2.5 percent of earnings went into effect this year, after being enacted by a coalition government composed of Social Democrats and other left of center parties.

As the 1990s arrived, and with it the long stock market boom, the call for privatization of Social Security has all but drowned out the more traditional views. For the first time, something akin to abolishing Social Security becamer a possibility.

Don't think it couldn't happen. In 1996, we enacted legislation which abolished Title IV–A of the Social Security Act, Aid to Families with Dependent Children. The mothers' pension of the progressive era, incorporated in the 1935 legislation, vanished with scarcely a word of protest.

Will the Old Age pensions and survivors benefits disappear as well? What might once have seemed inconceivable is now somewhere between possible and probable. I, for one, hope that this will not happen. A minimum retirement guarantee, along with disability and survivors benefits, is surely something we ought to keep, even as we augment the basic guarantee—as both the U.K and Sweden have done—with some form of private accounts.

Here is what Senator BOB KERREY and I proposed, in the legislation that we are reintroducing today.

Our bill makes changes that will preserve Social Security and make it solvent indefinitely. Under our plan, private accounts would complement Social Security, not replace it. Markets go up, but they also, as we made painfully clear last summer, frequently go down. But even with fluctuations in markets there are ways to safeguard private accounts. Working with the Securities and Exchange Commission and those in the securities industry we believe that it is possible to provide private savings instruments that meet the needs of workers planning for their retirement, and that are reasonably secure, with diminimus administrative costs.

We believe that the best approach to retirement savings in the 21st century is a three-tier system founded on the basic Social Security annuity. To which is added one's private pension—which about half of Americans now enjoy—and one's private savings.

Our plan would return Social Security to a pay-as-you-go system. This makes possible an immediate payroll tax cut of approximately $800 billion over the next 10 years, as payroll tax rates would be cut from 12.4 to 10.4 percent.

The bill would permit voluntary personal savings accounts, which workers could finance with the proceeds of the two percentage point cut in the payroll tax. Under this provision in our legislation—together with a total of $3,500 deposited in an individual's account at birth and at ages 1–5 under the Kidsave provision of the bill—all workers will be able to accumulate an estate which they can pass on to their children and grandchildren.

Our plan includes a one percentage point correction in cost of living adjustments for all indexed programs except Supplemental Security Income. Benefits are also adjusted to reflect projected increases in life expectancy, similar to what has just been adopted in Sweden.

It is worth digressing here to note that under current law the so-called normal retirement age (NRA) is scheduled to gradually increase from 65 to 67. In practice, the NRA, is important as a benchmark for determining the monthly benefit amount, but it does not reflect the actual age at which workers receive retirement benefits. More than 70 percent of workers begin collecting Social Security retirement benefits before they reach age 65, and more than 50 percent do so at age 62. Under the bill, workers can continue to receive benefits at age 62 and the provision in the 1983 Social Security amendments that increased the NRA to age 67 is repealed. Instead, under this legislation, if life expectancy increases the level of benefits payable at age 65 (or at the age at which the worker actually retires) decreases. (Sweden has adopted a similar provision allowing workers to continue to retire at age 61, even as monthly benefits are reduced to mirror the projected gradual increase in life expectancy.)

We also propose to eliminate the so-called earnings test, which reduces Social Security benefits for retirees who have wages significantly above $10,000 per year, and is a burden and annoyance to persons who wish to work after age 62.

Finally, Social Security benefits would be taxed to the same extent private pensions are taxed, with the provision phased-in over the 5 year period 2000–2004. And Social Security coverage would be extended to newly hired employees in currently excluded State and local positions.

This package of changes ensures the long-run solvency of Social Security while reducing payroll taxes by almost $800 billion over the next decade, and with little or no change in the Federal budget surplus. Beginning in the year 2030, payroll tax rates would increase gradually to cover growing outlays, and would rise only slightly above the current level in the year 2035.

Can this be done? From an actuarial perspective, it's easy. We know—or at least the actuaries can tell us—within a couple of million persons how many workers will be supporting how many retirees in 2050. Contrast this with Medicare, where you do not know where gene therapy will lead in three years, let alone 30 years. The 17 members of the National Bipartisan Commission on the Future of Medicare, ably chaired by Senator Breaux, can, I am sure, attest to the analytic complexity of the issues they are discussing as part of that important Commission's work.

Politically, however, it won't be easy to fix Social Security. In a manner that the late economist Mancur Olson would recognize, over time Social Security has acquired a goodly number of veto groups which prevent changes, howsoever necessary. In so doing they also undermine confidence in Social Security by supporting a promised level of benefits which the Trustees, as noted above, readily admit cannot be delivered.

The veto groups assert that the Moynihan-Kerrey bill will reduce benefits by 30 percent. Not true when compared to what actually can be delivered. With pay-as-you-go, and adjustments in benefits related to an accurate cost of living index and the increase in life expectancy, the Moynihan-Kerrey bill delivers higher benefits than Social Security can actually provide with projected tax revenues under current law. For example, in 2040 the Social Security actuaries estimate that the current program can only deliver 73 percent of promised benefits. We do slightly better than that. Add in the annuity—financed with voluntary contributions of 2 percent of earnings—and benefits are 20 percent or more higher than the current program can deliver—even assuming real rates of interest no higher than a modest 3 percent. For 2070, the actuaries estimate that current financing will only support benefits equal to 68 percent of what is promised—a reduction of more than 30 percent. Again we do slightly better even without the private accounts—and more than 25 percent better with the private accounts.

As I say, this won't be easy. Which is why this is a time for courage as well as policy analysis. Social Security, one of the great achievements of our government in this century, is ours to maintain. Our bill does just that.

I ask unanimous consent the summary of the bill and the full text of the bill be included in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

S. 21

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Social Security Solvency Act of 1999''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Modification of FICA rates to provide pay-as-you-go financing of social security.
Sec. 3. Voluntary investment of payroll tax cut by employees.
Sec. 4. Increase of social security wage base.
Sec. 5. Cost-of-living adjustments.
Sec. 6. Tax treatment of social security payments.
Sec. 7. Coverage of newly hired State and local employees.
Sec. 8. Increase in length of computation period from 35 to 38 years.
Sec. 9. Modification of PIA factors to reflect changes in life expectancy.
Sec. 10. Elimination of earnings test for individuals who have attained early retirement age.
Sec. 11. Social security kidsave accounts.

SEC. 2. MODIFICATION OF FICA RATES TO PROVIDE PAY-AS-YOU-GO FINANCING OF SOCIAL SECURITY.

(a) IN GENERAL.—

(1) TAX ON EMPLOYEES.—Section 3101(a) of the Internal Revenue Code of 1986 (relating to tax on employees) is amended to read as follows:

''(a) OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE.—

''(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on the income of every individual a tax equal to the applicable percentage of the wages (as defined in section 3121(a)) received by him with respect to employment (as defined in section 3121(b)).

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be the percentage set forth in the following table:

"In the case wages received during:	The applicable percentage shall be:
2000 through 2029	5.2
2030 through 2034	6.2
2035 through 2049	6.45
2050 through 2059	6.65
2060 or thereafter	6.85 .''

(2) TAX ON EMPLOYERS.—Section 3111(a) of such Code (relating to tax on employers) is amended to read as follows:

''(a) OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE.—

''(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to the applicable percentage of the wages (as defined in section 3121(a)) paid by him with respect to employment (as defined in section 3121(b)).

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be the percentage set forth in the following table:

"In the case wages paid during:	The applicable percentage shall be:
2000 and 2001	6.2
2002 through 2029	5.2
2030 through 2034	6.2
2035 through 2049	6.45
2050 through 2059	6.65
2060 or thereafter	6.85 .''

(3) SELF-EMPLOYMENT TAX.—Section 1401(a) of such Code (relating to tax on self-employment income) is amended to read as follows:

''(a) OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE.—

''(1) IN GENERAL.—In addition to other taxes, there is hereby imposed for each taxable year, on the self-employment income of every individual, a tax equal to the applicable percentage of the amount of the self-employment income for such taxable year.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be the percentage set forth in the following table:

"In the case of a taxable year Beginning after:	And before:	The applicable percentage is:
December 31, 1999 ...	January 1, 2002	11.4
December 31, 2001 ...	January 1, 2030	10.4
December 31, 2029 ...	January 1, 2035	12.4
December 31, 2034 ...	January 1, 2050	12.9
December 31, 2049 ...	January 1, 2060	13.3
December 31, 2059 ...	.....	13.7 .''

(4) EFFECTIVE DATES.—

(A) EMPLOYEES AND EMPLOYERS.—The amendments made by paragraphs (1) and (2) apply to remuneration paid after December 31, 1999.

(B) SELF-EMPLOYED INDIVIDUALS.—The amendment made by paragraph (3) applies to taxable years beginning after December 31, 1999.

(b) REALLOCATION OF EMPLOYMENT TAXES.—

(1) REALLOCATION OF TAX ON EMPLOYEES AND EMPLOYERS.—Section 201(b)(1) of the Social Security Act (42 U.S.C. 401(b)(1)) is amended by striking ''(Q) 1.70 per centum of the wages (as so defined) paid after December 31, 1996, and before January 1, 2000, and so reported, and (R) 1.80 per centum of the wages (as so defined) paid after December 31, 1999, and so reported'' and inserting ''(Q) 1.70 per centum of the wages (as so defined) paid after December 31, 1996, and before January 1, 2000, and so reported, (R) 1.80 per centum of the wages (as so defined) paid after December 31, 1999, and before January 1, 2030, and so reported, (S) 2.15 per centum of the wages (as so defined) paid after December 31, 2029, and before January 1, 2035, and so reported, (T) 2.23 per centum of the wages (as so defined) paid after December 31, 2034, and before January 1, 2050, and so reported, (U) 2.30 per centum of the wages (as so defined) paid after December 31, 2049, and before January 1, 2060, and so reported, and (V) 2.39 per centum of the wages (as so defined) paid after December 31, 2059, and so reported''.

(2) REALLOCATION OF TAX ON SELF-EMPLOYMENT INCOME.—Section 201(b)(2) of such Act (42 U.S.C. 401(b)(2)) is amended by striking ''(Q) 1.70 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1996, and before January 1, 2000, and (R) 1.80 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1999'' and inserting ''(Q) 1.70 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1996, and before January 1, 2000, (R) 1.80 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1999, and before January 1, 2030, (S) 2.15 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 2029, and before January 1, 2035, (T) 2.23 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 2034, and before January 1, 2050, (U) 2.30 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 2049, and before January 1, 2060, and (V) 2.39 per centum of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 2059''.

(c) FUTURE RATES AND ALLOCATION BETWEEN TRUST FUNDS PROPOSED BY BOARD OF TRUSTEES FOR LEGISLATIVE ACTION.—

(1) IN GENERAL.—Section 201(c) of the Social Security Act (42 U.S.C. 401(c)) is amended in the matter following paragraph (5) by striking ''(as defined by the Board of Trustees).'' and inserting ''(as defined by the Board of Trustees. If such finding shows that the combined Trust Funds are not in close actuarial balance (as so defined), then such

report (beginning in April 2001) shall include a legislative recommendation by the Board of Trustees specifying new rates of tax under sections 3101(a), 3111(a), and 1401(a) of the Internal Revenue Code of 1986, and the allocation of those rates between the Trust Funds necessary in order to restore the combined Trust Funds and each Trust Fund to actuarial balance. If such finding shows that the combined Trust Funds are in close actuarial balance (as so defined), but that 1 of the Trust Funds is not in close actuarial balance, then such report (beginning in April 2001) shall include a legislative recommendation by the Board of Trustees specifying a new allocation of such rates of tax between the Trust Funds, so that each Trust Fund is in close actuarial balance. Such recommendation shall be considered by Congress under procedures described in subsection (n)).''.

(2) FAST-TRACK CONSIDERATION OF LEGISLATIVE RECOMMENDATIONS.—Section 201 of such Act (42 U.S.C. 401) is amended by adding at the end the following new subsection:

''(n)(1) Any legislative recommendation included in the report provided for in subsection (c) shall—

''(A) not later than 3 days after the Board of Trustees submits such report, be introduced (by request) in the House of Representatives by the Majority Leader of the House and be introduced (by request) in the Senate by the Majority Leader of the Senate; and

''(B) be given expedited consideration under the same provisions and in the same way, subject to paragraph (2), as a joint resolution under section 2908 of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2678 note).

''(2) For purposes of applying paragraph (1) with respect to such provisions, the following rules shall apply:

''(A) Section 2908(a) of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2678 note) shall not apply.

''(B) Any reference to the resolution described in subsection (a) shall be deemed to be a reference to the legislative recommendation submitted under subsection (c) of this Act.

''(C) Any reference to the Committee on National Security of the House of Representatives shall be deemed to be a reference to the Committee on Ways and Means of the House of Representatives and any reference to the Committee on Armed Services of the Senate shall be deemed to be a reference to the Committee on Finance of the Senate.

''(D) Any reference to the date on which the President transmits a report shall be deemed to be a reference to the date on which the recommendation is submitted under subsection (c).''.

(d) CONFORMING AMENDMENTS TO FERS TO PROTECT PAYROLL TAX CUT.—The table contained in section 8422(a)(3) of title 5, United States Code, is amended—

(1) by striking ''7'' the second place it appears and inserting ''6'';

(2) by striking ''7.4'' and inserting ''6.4'';

(3) by striking ''7.5'' the first, third, fifth, and seventh places it appears and inserting ''6.5'';

(4) by striking ''7.9'' each place it appears and inserting ''6.9''; and

(5) by striking ''8'' each place it appears and inserting ''7''.

SEC. 3. VOLUNTARY INVESTMENT OF PAYROLL TAX CUT BY EMPLOYEES.

(a) VOLUNTARY INVESTMENT OF PAYROLL TAX CUT.—

(1) IN GENERAL.—Title II of the Social Security Act (42 U.S.C. 401 et seq.) is amended—

(A) by inserting before section 201 the following:

''PART A—INSURANCE BENEFITS'';

and

(B) by adding at the end the following:

''PART B—VOLUNTARY INVESTMENT ACCOUNTS

''EMPLOYEE ELECTION AND DESIGNATION OF VOLUNTARY INVESTMENT ACCOUNT UNDER PAYROLL DEDUCTION PLAN

''SEC. 251. (a) IN GENERAL.—An individual who is an employee of a covered employer may elect to participate in the employer's voluntary investment account payroll deduction plan either—

''(1) not later than 10 business days after the individual becomes an employee of the employer, or

''(2) during any open enrollment period.

The Commissioner shall by regulation provide for at least 1 open enrollment period annually.

''(b) PERIOD OF ELECTION.—

''(1) TIME ELECTION TAKES EFFECT.—An election under subsection (a) shall take effect with respect to the first pay period beginning more than 14 days after the date of the election.

''(2) TERMINATION.—An election under subsection (a) shall terminate—

''(A) upon the termination of employment of the employee of the covered employer, or

''(B) with respect to pay periods beginning more than 14 days after the employee terminates such election.

''(c) DESIGNATION OF VOLUNTARY INVESTMENT ACCOUNT.—

''(1) INITIAL ELECTION.—An employee shall, at the time an election is made under subsection (a), designate the voluntary investment account to which voluntary investment account contributions on behalf of the employee are to be deposited.

''(2) CHANGES.—The Commissioner shall by regulation provide the time and manner by which an employee or a person described in section 254(d) on behalf of such employee may—

''(A) designate another voluntary investment account to which contributions are to be deposited, and

''(B) transfer amounts from one such account to another.

''(d) FORM OF ELECTIONS.—Elections under this section shall be made—

''(1) on W–4 forms (or any successor forms), or

''(2) in such other manner as the Commissioner may prescribe in order to ensure ease of administration and reductions in burdens on employers.

''VOLUNTARY INVESTMENT ACCOUNT PAYROLL DEDUCTION PLANS

''SEC. 252. (a) IN GENERAL.—Each person who is a covered employer for a calendar year shall have in effect a voluntary investment account payroll deduction plan for such calendar year for such person's electing employees.

''(b) VOLUNTARY INVESTMENT ACCOUNT PAYROLL DEDUCTION PLANS.—For purposes of this part, the term 'voluntary investment account payroll deduction plan' means a written plan of an employer—

''(1) which applies only with respect to wages of any employee who elects to become an electing employee in accordance with section 251,

''(2) under which the voluntary investment account contributions under section 3101(a) of the Internal Revenue Code of 1986 will be deducted from an electing employee's wages and, together with such contributions under section 3111(a) of such Code on behalf of such employee, will be paid to the Social Security Administration for deposit in 1 or more voluntary investment accounts designated by such employee in accordance with section 251,

''(3) under which the employer is required to pay the amount so contributed with respect to the specified voluntary investment account of the electing employee within the same time period as other taxes under sections 3101 and 3111 with respect to the wages of such employee,

''(4) under which the employer receives no compensation for the cost of administering such plan, and

''(5) under which the employer does not make any endorsement with respect to any voluntary investment account.

''(c) PENALTIES FOR FAILURE TO ESTABLISH VOLUNTARY INVESTMENT ACCOUNT PAYROLL DEDUCTION PLAN.—

''(1) IN GENERAL.—Any covered employer who fails to meet the requirements of this section for any calendar year shall be subject to a civil penalty of not to exceed the greater of—

''(A) $2,500, or

''(B) $100 for each electing employee of such employer as of the beginning of such calendar year.

''(2) RULES FOR APPLICATION OF SUBSECTION.—

''(A) PENALTIES ASSESSED BY COMMISSIONER.—Any civil penalty assessed by this subsection shall be imposed by the Commissioner of Social Security and collected in a civil action.

''(B) COMPROMISES.—The Commissioner may compromise the amount of any civil penalty imposed by this subsection.

''(C) AUTHORITY TO WAIVE PENALTY IN CERTAIN CASES.—The Commissioner may waive the application of this subsection with respect to any failure if the Commissioner determines that such failure is due to reasonable cause and not to intentional disregard of rules and regulations.

''PARTICIPATION BY SELF-EMPLOYED INDIVIDUALS

''SEC. 253. An individual shall make an election to become an electing self-employed individual, designate a voluntary investment account, and have in effect a voluntary investment account payroll deduction plan under rules similar to the rules under sections 251 and 252.

''DEFINITIONS AND SPECIAL RULES

''SEC. 254. (a) VOLUNTARY INVESTMENT ACCOUNT.—For purposes of this part—

''(1) a voluntary investment account described in this paragraph is a voluntary investment account in the Voluntary Investment Fund (established under section 255),

''(2) a voluntary investment account described in this paragraph is an individual retirement plan (as defined in section 7701(a)(37) of the Internal Revenue Code of 1986), other than a Roth IRA (as defined in section 408A(b) of such Code), which is designated by the electing employee as a voluntary investment account (in such manner as the Secretary of the Treasury may prescribe) and which is administered or issued by a bank or other person referred to in section 408(a)(2) of such Code, and

''(3) a voluntary investment account described in this paragraph is a KidSave Account (as described in paragraph (1) or (2) of section 262(a)) of the electing employee, which is designated by the electing employee as a voluntary investment account (in such manner as the Secretary of the Treasury may prescribe).

''(b) TREATMENT OF ACCOUNTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2)—

''(A) any voluntary investment account described in paragraph (1) of subsection (a) shall be treated in the same manner as an account in the Thrift Savings Fund under subchapter III of chapter 84 of title 5, United States Code,

''(B) any voluntary investment account described in paragraph (2) of subsection (a) shall be treated in the same manner as an individual retirement plan (as so defined), and

''(C) any voluntary investment account described in paragraph (3) of subsection (a) shall be treated in the same manner as the designated KidSave Account would have been treated under section 262(b).

''(2) EXCEPTIONS.—

''(A) CONTRIBUTION LIMIT.—The aggregate amount of contributions for any taxable year to all voluntary investment accounts of an electing employee shall not exceed the aggregate amount of contributions made pursuant to sections 3101(a)(3), 3111(a)(3), and 1401(a)(3) of the Internal Revenue Code of 1986 and paid pursuant to section 252 or 253 on behalf of such employee.

''(B) NO DEDUCTION ALLOWED.—No deduction shall be allowed under section 219 of the Internal Revenue Code of 1986 for a contribution to a voluntary investment account.

''(C) ROLLOVER CONTRIBUTIONS.—No rollover contribution may be made to a voluntary investment account unless it is from another voluntary investment account or a KidSave Account (as described in paragraph (1) or (2) of section 262(a)). A rollover described in the preceding sentence shall not be taken into account for purposes of subparagraph (A).

''(D) DISTRIBUTIONS ALLOWED TO SOCIAL SECURITY BENEFICIARIES.—Notwithstanding any other provision of law, distributions may only be made from a voluntary investment account of an electing employee on or after the earlier of—

''(i) the date on which the employee begins receiving benefits under this title, or

''(ii) the date of the employee's death.

''(c) OTHER DEFINITIONS.—For purposes of this part—

''(1) COVERED EMPLOYER.—The term 'covered employer' means, for any calendar year, any person on whom an excise tax is imposed under section 3111 of the Internal Revenue Code of 1986 with respect to having an individual in the person's employ to whom wages are paid by such person during such calendar year.

''(2) ELECTING EMPLOYEE.—The term 'electing employee' means an individual with respect to whom an election under section 251 is in effect.

''(3) ELECTING SELF-EMPLOYED INDIVIDUAL.—The term 'electing self-employed individual' means an individual with respect to whom an election under section 253 is in effect.

''(d) TREATMENT OF INCOMPETENT INDIVIDUALS.—Any designation under section 251(c)(2) to be made by an individual mentally incompetent or under other legal disability may be made by the person who is constituted guardian or other fiduciary by the law of the State of residence of the individual or is otherwise legally vested with the care of the individual or his estate. Payment under this part due an individual mentally incompetent or under other legal disability may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of the claimant or is otherwise legally vested with the care of the claimant or his estate. In any case in which a guardian or other fiduciary of the individual under legal disability has not been appointed under the law of the State of residence of the individual, if any other person, in the judgment of the Commissioner, is responsible for the care of such individual, any designation under section 251(c)(2) which may otherwise be made by such individual may be made by such person, any payment under this part which is otherwise payable to such individual may be made to such person, and the payment of an annuity payment under this part to such person bars recovery by any other person.

''VOLUNTARY INVESTMENT FUND

''SEC. 255. (a) ESTABLISHMENT.—There is established and maintained in the Treasury of the United States a Voluntary Investment Fund in the same manner as the Thrift Savings Fund under sections 8437, 8438, and 8439 of title 5, United States Code.

''(b) VOLUNTARY INVESTMENT FUND BOARD.—

''(1) IN GENERAL.—There is established and operated in the Social Security Administration a Voluntary Investment Fund Board in the same manner as the Federal Retirement Thrift Investment Board under subchapter VII of chapter 84 of title 5, United States Code.

''(2) SPECIFIC INVESTMENT DUTIES.—The Voluntary Investment Fund shall be managed by the Voluntary Investment Fund Board in the same manner as the Thrift Savings Fund is managed under subchapter VIII of chapter 84 of title 5, United States Code.''.

(2) EXEMPTION FROM ERISA REQUIREMENTS.—Section 4(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1003(b)) is amended—

(A) in paragraph (4), by striking ''or'';

(B) in paragraph (5), by striking the period and inserting ''; or''; and

(C) by inserting after paragraph (5) the following:

''(6) such plan is a voluntary investment account payroll deduction plan established under part B of title II of the Social Security Act.''.

(3) EFFECTIVE DATE AND NOTICE REQUIREMENTS.—

(A) EFFECTIVE DATE.—The amendments made by this subsection (and any voluntary investment account payroll deduction plan required thereunder) apply with respect to wages paid after December 31, 2001, for pay periods beginning after such date and self-employment income for taxable years beginning after such date.

(B) NOTICE REQUIREMENTS.—

(i) IN GENERAL.—Not later than October 1, 2001, the Commissioner of Social Security shall—

(I) send to the last known address of each eligible individual a description of the program established by the amendments made by this subsection, which shall be written in the form of a pamphlet in language which may be readily understood by the average worker,

(II) provide for toll-free access by telephone from all localities in the United States and access by the Internet to the Social Security Administration through which individuals may obtain information and answers to questions regarding such program, and

(III) provide information to the media in all localities of the United States about such program and such toll-free access by telephone and access by Internet.

(ii) ELIGIBLE INDIVIDUAL.—For purposes of this subparagraph, the term ''eligible individual'' means an individual who, as of the date of the pamphlet sent pursuant to clause (i), is indicated within the records of the Social Security Administration as being credited with 1 or more quarters of coverage under section 213 of the Social Security Act (42 U.S.C. 413).

(iii) MATTERS TO BE INCLUDED.—The Commissioner shall include with the pamphlet sent to each eligible individual pursuant to clause (i)—

(I) a statement of the number of quarters of coverage indicated in the records of the Social Security Administration as of the date of the description as credited to such individual under section 213 of such Act and the date as of which such records may be considered accurate, and

(II) the number for toll-free access by telephone established by the Commissioner pursuant to clause (i).

(b) CONFORMING AMENDMENTS TO PAYROLL TAX PROVISIONS.—

(1) EMPLOYEES VOLUNTARY INVESTMENT CONTRIBUTIONS.—Section 3101(a) of the Internal Revenue Code of 1986 (relating to tax on employees), as amended by section 2(a)(1), is amended by adding at the end the following:

''(3) VOLUNTARY INVESTMENT ACCOUNT CONTRIBUTION.—In the case of an electing employee (as defined in section 254(c)(2) of the Social Security Act), in addition to other taxes, there is hereby imposed on the income of such employee a voluntary investment account contribution equal to 1 percent of the wages (as so defined) received by him with respect to employment (as so defined).''.

(2) EMPLOYERS MATCHING CONTRIBUTIONS.—Section 3111(a) of such Code (relating to tax on employers), as amended by section 2(a)(2), is amended by adding at the end the following:

''(3) MATCHING CONTRIBUTION TO EMPLOYEE VOLUNTARY INVESTMENT ACCOUNT CONTRIBUTION.—In the case of an employer having in his employ an electing employee (as defined in section 254(c)(2) of the Social Security Act), in addition to other taxes, there is hereby imposed on such employer a voluntary investment account contribution equal to 1 percent of the wages (as so defined) paid by him with respect to employment (as so defined) of such employee.''.

(3) SELF-EMPLOYMENT VOLUNTARY INVESTMENT ACCOUNT CONTRIBUTIONS.—Section 1401(a) of such Code (relating to tax on self-employment income), as amended by section 2(a)(3), is amended by adding at the end the following:

''(3) VOLUNTARY INVESTMENT ACCOUNT CONTRIBUTION.—In the case of an electing self-employed individual (as defined in section 254(c)(3) of the Social Security Act), in addition to other taxes, there is hereby imposed for each taxable year, on the self-employment income of such individual, a voluntary investment account contribution equal to 2 percent of the amount of the self-employment income for such taxable year.''.

(4) EFFECTIVE DATES.—

(A) EMPLOYEES AND EMPLOYERS.—The amendments made by paragraphs (1) and (2) apply to remuneration paid after December 31, 2001.

(B) SELF-EMPLOYED INDIVIDUALS.—The amendment made by paragraph (3) applies to taxable years beginning after December 31, 2001.

SEC. 4. INCREASE OF SOCIAL SECURITY WAGE BASE.

(a) IN GENERAL.—Section 230 of the Social Security Act (42 U.S.C. 430) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''$60,600'' and inserting ''$99,900''; and

(B) in paragraph (2), by striking ''1992'' and inserting ''2002''; and

(2) in subsection (c)—

(A) by striking ''(1)'' and all that follows through ''$29,700.'' and inserting ''the 'contribution and benefit base' with respect to remuneration paid (and taxable years beginning)—

''(1) in 2002 shall be $87,000,

''(2) in 2003 shall be $94,000, and

''(3) in 2004 shall be $99,900.''; and

(B) by striking ''specified in clause (2) of the preceding sentence'' and inserting ''specified in the preceding sentence''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect on January 1, 2002.

SEC. 5. COST-OF-LIVING ADJUSTMENTS.

(a) COST-OF-LIVING BOARD.—Title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by adding at the end the following:

''PART D—COST-OF-LIVING ADJUSTMENTS

''DETERMINATION OF INFLATION ADJUSTMENT

''SEC. 1180. (a) MODIFICATION OF COST-OF-LIVING ADJUSTMENT.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, any cost-of-living adjustment described in subsection (e) shall be reduced by the applicable percentage point.

''(2) APPLICABLE PERCENTAGE POINT.—In this section, the term 'applicable percentage point' means—

''(A) except as provided in subparagraph (B), 1 percentage point; or

''(B) the applicable percentage point adopted by the Cost-of-Living Board under subsection (b) for the calendar year.

''(b) COST-OF-LIVING BOARD DETERMINATION.—

''(1) IN GENERAL.—The Cost-of-Living Board established under section 1181 shall for each calendar year after 1999 determine if a new applicable percentage point is necessary to replace the applicable percentage point described in subsection (a)(2)(A) to ensure an accurate cost-of-living adjustment which shall apply to any cost-of-living adjustment taking effect during such year.

''(2) ADOPTION OR REJECTION OF NEW APPLICABLE PERCENTAGE POINT.—

''(A) ADOPTION.—

''(i) IN GENERAL.—If the Cost-of-Living Board adopts by majority vote a new applicable percentage point under paragraph (1), then, for purposes of subsection (a)(1), the new applicable percentage point shall remain in effect during the following calendar year.

''(ii) APPROPRIATE ADJUSTMENTS.—The Cost-of-Living Board shall make appropriate adjustments to the applicable percentage point applied to any cost-of-living adjustment if—

''(I) the period during which the change in the cost-of-living is measured for such adjustment is different than the period used by the Cost-of-Living Board; or

''(II) the adjustment is based on a component of an index rather than the entire index.

''(B) REJECTION.—If the Cost-of-Living Board fails by majority vote to adopt a new applicable percentage point under paragraph (1) for any calendar year, then the applicable percentage point for such calendar year shall be the applicable percentage point described in subsection (a)(2)(A).

''(c) REPORT.—Not later than November 1 of each calendar year, the Cost-of-Living Board shall submit a report to the President and Congress containing a detailed statement with respect to the new applicable percentage point (if any) agreed to by the Board under subsection (b).

''(d) JUDICIAL REVIEW.—Any determination by the Cost-of Living Board under subsection (b) shall not be subject to judicial review.

''(e) COST-OF-LIVING ADJUSTMENT DESCRIBED.—A cost-of-living adjustment described in this subsection is any cost-of-living adjustment for a calendar year after 1999 determined by reference to a percentage change in a consumer price index or any component thereof (as published by the Bureau of Labor Statistics of the Department of Labor and determined without regard to this section) and used in any of the following:

''(1) The Internal Revenue Code of 1986.

''(2) Titles II, XVIII, and XIX of this Act.

''(3) Any other Federal program (not including programs under title XVI of this Act).

''COST-OF-LIVING BOARD

''SEC. 1181. (a) ESTABLISHMENT OF BOARD.—

''(1) ESTABLISHMENT.—There is established a board to be known as the Cost-of-Living Board (in this section referred to as the 'Board').

''(2) MEMBERSHIP.—

''(A) COMPOSITION.—The Board shall be composed of 5 members of whom—

''(i) 1 shall be the Chairman of the Board of Governors of the Federal Reserve System;

''(ii) 1 shall be the Chairman of the President's Council of Economic Advisers; and

''(iii) 3 shall be appointed by the President, by and with the advice and consent of the Senate.

The President shall consult with the leadership of the House of Representatives and the Senate in the appointment of the Board members under clause (iii).

''(B) EXPERTISE.—The members of the Board appointed under subparagraph (A)(iii) shall be experts in the field of economics and should be familiar with the issues related to the calculation of changes in the cost of living. In appointing members under subparagraph (A)(iii), the President shall consider appointing—

''(i) former members of the President's Council of Economic Advisers;

''(ii) former Treasury department officials;

''(iii) former members of the Board of Governors of the Federal Reserve System;

''(iv) other individuals with relevant prior government experience in positions requiring appointment by the President and Senate confirmation; and

''(v) academic experts in the field of price statistics.

''(C) DATE.—

''(i) NOMINATIONS.—Not later than 30 days after the date of enactment of the Social Security Solvency Act of 1999, the President shall submit the nominations of the members of the Board described in subparagraph (A)(iii) to the Senate.

''(ii) SENATE ACTION.—Not later than 60 days after the Senate receives the nominations under clause (i), the Senate shall vote on confirmation of the nominations.

''(3) TERMS AND VACANCIES.—

''(A) TERMS.—A member of the Board appointed under paragraph (2)(A)(iii) shall be appointed for a term of 5 years, except that of the members first appointed under that paragraph—

''(i) 1 member shall be appointed for a term of 1 year;

''(ii) 1 member shall be appointed for a term of 3 years; and

''(iii) 1 member shall be appointed for a term of 5 years.

''(B) VACANCIES.—

''(i) IN GENERAL.—A vacancy on the Board shall be filled in the manner in which the original appointment was made and shall be subject to any conditions which applied with respect to the original appointment.

''(ii) FILLING UNEXPIRED TERM.—An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.

''(C) EXPIRATION OF TERMS.—The term of any member appointed under paragraph (2)(A)(iii) shall not expire before the date on which the member's successor takes office.

''(4) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Board have been appointed, the Board shall hold its first meeting. Subsequent meetings shall be determined by the Board by majority vote.

''(5) OPEN MEETINGS.—Notwithstanding section 552b of title 5, United States Code, or section 10 of the Federal Advisory Committee Act (5 U.S.C. App.), the Board may, by majority vote, close any meeting of the Board to the public otherwise required to be open under that section. The Board shall make the records of any such closed meeting available to the public not later than 30 days of that meeting.

''(6) QUORUM.—A majority of the members of the Board shall constitute a quorum, but a lesser number of members may hold hearings.

''(7) CHAIRPERSON AND VICE CHAIRPERSON.—The Board shall select a Chairperson and Vice Chairperson from among the members appointed under paragraph (2)(A)(iii).

''(b) POWERS OF THE BOARD.—

''(1) HEARINGS.—The Board may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Board considers advisable to carry out the purposes of this part.

''(2) INFORMATION FROM FEDERAL AGENCIES.—The Board may secure directly from any Federal department or agency such information as the Board considers necessary to carry out the provisions of this part, including the published and unpublished data and analytical products of the Bureau of Labor Statistics. Upon request of the Chairperson of the Board, the head of such department or agency shall furnish such information to the Board.

''(3) POSTAL SERVICES.—The Board may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

''(4) GIFTS.—The Board may accept, use, and dispose of gifts or donations of services or property.

''(c) BOARD PERSONNEL MATTERS.—

''(1) COMPENSATION OF MEMBERS.—Each member of the Board who is not otherwise an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level III of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Board. All members of the Board who otherwise are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

''(2) TRAVEL EXPENSES.—The members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Board.

''(3) STAFF.—

''(A) IN GENERAL.—The Chairperson of the Board may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Board to perform its duties. The employment of an executive director shall be subject to confirmation by the Board.

''(B) COMPENSATION.—The Chairperson of the Board may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level IV of the Executive Schedule under section 5316 of such title.

''(4) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Board without additional reimbursement (other than the employee's regular compensation), and such detail shall be without interruption or loss of civil service status or privilege.

''(5) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the Board may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

''(d) TERMINATION.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Board.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Board such sums as are necessary to carry out the purposes of this part.''.

(c) TERMINATION OF WAGE INDEX ADJUSTMENT.—Section 215(i)(1)(C) of the Social Security Act (42 U.S.C. 415(i)(1)(C)) is amended—

(1) in clause (i)—

(A) by inserting ''and before 2000'' after ''after 1988''; and

(B) by inserting '', or in any calendar year after 1999, the CPI increase percentage''; and

(2) in clause (ii), by inserting ''and before 2000'' after ''after 1988''.

SEC. 6. TAX TREATMENT OF SOCIAL SECURITY PAYMENTS.

(a) IN GENERAL.—Section 86(a) of the Internal Revenue Code of 1986 (relating to social security and tier 1 railroad retirement benefits) is amended to read as follows:

''(a) INCOME INCLUSION.—

''(1) GENERAL RULE.—Notwithstanding section 207 of the Social Security Act, social security benefits shall be included in the gross income of a taxpayer for any taxable year in the manner provided under section 72.

''(2) TRANSITION RULES.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), with respect to any taxable year beginning in 2000, 2001, 2002, or 2003, gross income of the taxpayer shall include social security benefits in an amount equal to the greater of—

''(i) the applicable percentage of the amount which would have been included under paragraph (1) for such year, or

''(ii) the amount which would have been included under this section for such year if the amendments made by section 6 of the Social Security Solvency Act of 1999 had not been enacted.

''(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i), the applicable percentage for any taxable year shall be determined in accordance with the following table:

''In the case of any taxable year beginning in—	The applicable percentage is:
2000	20
2001	40
2002	60
2003	80.''.

(b) CONFORMING AMENDMENTS.—Section 86 of the Internal Revenue Code of 1986 is amended by striking subsections (b), (c), and (e) and by redesignating subsections (d) and (f) as subsections (b) and (c), respectively.

(c) TRANSFERS TO TRUST FUNDS.—Paragraph (1)(A) of section 121(e) of the Social Security Amendments of 1983, as amended by section 13215(c)(1) of the Omnibus Budget Reconciliation Act of 1993, is amended by striking ''1993.'' and inserting ''1993, plus (iii) the amounts equivalent to the aggregate increase in tax liabilities under chapter 1 of the Internal Revenue Code of 1986 which is attributable to the amendments to section 86 of such Code made by section 6 of the Social Security Solvency Act of 1999.''.

(d) EFFECTIVE DATE.—The amendments made by this section apply to taxable years ending after December 31, 1999.

SEC. 7. COVERAGE OF NEWLY HIRED STATE AND LOCAL EMPLOYEES.

(a) AMENDMENTS TO THE SOCIAL SECURITY ACT.—

(1) IN GENERAL.—Paragraph (7) of section 210(a) of the Social Security Act (42 U.S.C. 410(a)(7)) is amended to read as follows:

''(7) Excluded State or local government employment (as defined in subsection (s));''.

(2) EXCLUDED STATE OR LOCAL GOVERNMENT EMPLOYMENT.—

(A) IN GENERAL.—Section 210 of such Act (42 U.S.C. 410) is amended by adding at the end the following new subsection:

''Excluded State or Local Government Employment

''(s)(1) IN GENERAL.—The term 'excluded State or local government employment' means any service performed in the employ of a State, of any political subdivision thereof, or of any instrumentality of any one or more of the foregoing which is wholly owned thereby, if—

''(A)(i) such service would be excluded from the term 'employment' for purposes of this title if the preceding provisions of this section as in effect on December 31, 2001, had remained in effect, and (ii) the requirements of paragraph (2) are met with respect to such service, or

''(B) the requirements of paragraph (3) are met with respect to such service.

''(2) EXCEPTION FOR CURRENT EMPLOYMENT WHICH CONTINUES.—

''(A) IN GENERAL.—The requirements of this paragraph are met with respect to service for any employer if—

''(i) such service is performed by an individual—

''(I) who was performing substantial and regular service for remuneration for that employer before January 1, 2002,

''(II) who is a bona fide employee of that employer on December 31, 2001, and

''(III) whose employment relationship with that employer was not entered into for purposes of meeting the requirements of this subparagraph, and

''(ii) the employment relationship with that employer has not been terminated after December 31, 2001.

''(B) TREATMENT OF MULTIPLE AGENCIES AND INSTRUMENTALITIES.—For purposes of subparagraph (A), under regulations (consistent with regulations established under section 3121(t)(2)(B) of the Internal Revenue Code of 1986)—

''(i) all agencies and instrumentalities of a State (as defined in section 218(b)) or of the District of Columbia shall be treated as a single employer, and

''(ii) all agencies and instrumentalities of a political subdivision of a State (as so defined) shall be treated as a single employer and shall not be treated as described in clause (i).

''(3) EXCEPTION FOR CERTAIN SERVICES.—

''(A) IN GENERAL.—The requirements of this paragraph are met with respect to service if such service is performed—

''(i) by an individual who is employed by a State or political subdivision thereof to relieve such individual from unemployment,

''(ii) in a hospital, home, or other institution by a patient or inmate thereof as an employee of a State or political subdivision thereof or of the District of Columbia,

''(iii) by an individual, as an employee of a State or political subdivision thereof or of the District of Columbia, serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or other similar emergency,

''(iv) by any individual as an employee included under section 5351(2) of title 5, United States Code (relating to certain interns, student nurses, and other student employees of hospitals of the District of Columbia Government), other than as a medical or dental intern or a medical or dental resident in training,

''(v) by an election official or election worker if the remuneration paid in a calendar year for such service is less than $1,000 with respect to service performed during 2002, and the adjusted amount determined under subparagraph (C) for any subsequent year with respect to service performed during such subsequent year, except to the extent that service by such election official or election worker is included in employment under an agreement under section 218, or

''(vi) by an employee in a position compensated solely on a fee basis which is treated pursuant to section 211(c)(2)(E) as a trade or business for purposes of inclusion of such fees in net earnings from self-employment.

''(B) DEFINITIONS.—As used in this paragraph, the terms 'State' and 'political subdivision' have the meanings given those terms in section 218(b).

''(C) ADJUSTMENTS TO DOLLAR AMOUNT FOR ELECTION OFFICIALS AND ELECTION WORKERS.—For each year after 2002, the Secretary shall adjust the amount referred to in subparagraph (A)(v) at the same time and in the same manner as is provided under section 215(a)(1)(B)(ii) with respect to the amounts referred to in section 215(a)(1)(B)(i), except that—

''(i) for purposes of this subparagraph, 1999 shall be substituted for the calendar year referred to in section 215(a)(1)(B)(ii)(II), and

''(ii) such amount as so adjusted, if not a multiple of $50, shall be rounded to the nearest multiple of $50.

The Commissioner of Social Security shall determine and publish in the Federal Register each adjusted amount determined under this subparagraph not later than November 1 preceding the year for which the adjustment is made.''.

(B) CONFORMING AMENDMENTS.—

(i) Subsection (k) of section 210 of such Act (42 U.S.C. 410(k)) (relating to covered transportation service) is repealed.

(ii) Section 210(p) of such Act (42 U.S.C. 410(p)) is amended—

(I) in paragraph (2), by striking ''service is performed'' and all that follows and inserting ''service is service described in subsection (s)(3)(A).''; and

(II) in paragraph (3)(A), by inserting ''under subsection (a)(7) as in effect on December 31, 2001'' after ''section''.

(iii) Section 218(c)(6) of such Act (42 U.S.C. 418(c)(6)) is amended—

(I) by striking subparagraph (C);

(II) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively; and

(III) by striking subparagraph (F) and inserting the following:

''(E) service which is included as employment under section 210(a).''

(b) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.—

(1) IN GENERAL.—Paragraph (7) of section 3121(b) of the Internal Revenue Code of 1986 (relating to employment) is amended to read as follows:

''(7) excluded State or local government employment (as defined in subsection (t));''.

(2) EXCLUDED STATE OR LOCAL GOVERNMENT EMPLOYMENT.—Section 3121 of such Code is amended by inserting after subsection (s) the following new subsection:

''(t) EXCLUDED STATE OR LOCAL GOVERNMENT EMPLOYMENT.—

''(1) IN GENERAL.—For purposes of this chapter, the term 'excluded State or local government employment' means any service performed in the employ of a State, of any

political subdivision thereof, or of any instrumentality of any one or more of the foregoing which is wholly owned thereby, if—

''(A)(i) such service would be excluded from the term 'employment' for purposes of this chapter if the provisions of subsection (b)(7) as in effect on December 31, 2001, had remained in effect, and (ii) the requirements of paragraph (2) are met with respect to such service, or

''(B) the requirements of paragraph (3) are met with respect to such service.

''(2) EXCEPTION FOR CURRENT EMPLOYMENT WHICH CONTINUES.—

''(A) IN GENERAL.—The requirements of this paragraph are met with respect to service for any employer if—

''(i) such service is performed by an individual—

''(I) who was performing substantial and regular service for remuneration for that employer before January 1, 2002,

''(II) who is a bona fide employee of that employer on December 31, 2001, and

''(III) whose employment relationship with that employer was not entered into for purposes of meeting the requirements of this subparagraph, and

''(ii) the employment relationship with that employer has not been terminated after December 31, 2001.

''(B) TREATMENT OF MULTIPLE AGENCIES AND INSTRUMENTALITIES.—For purposes of subparagraph (A), under regulations—

''(i) all agencies and instrumentalities of a State (as defined in section 218(b) of the Social Security Act) or of the District of Columbia shall be treated as a single employer, and

''(ii) all agencies and instrumentalities of a political subdivision of a State (as so defined) shall be treated as a single employer and shall not be treated as described in clause (i).

''(3) EXCEPTION FOR CERTAIN SERVICES.—

''(A) IN GENERAL.—The requirements of this paragraph are met with respect to service if such service is performed—

''(i) by an individual who is employed by a State or political subdivision thereof to relieve such individual from unemployment,

''(ii) in a hospital, home, or other institution by a patient or inmate thereof as an employee of a State or political subdivision thereof or of the District of Columbia,

''(iii) by an individual, as an employee of a State or political subdivision thereof or of the District of Columbia, serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or other similar emergency,

''(iv) by any individual as an employee included under section 5351(2) of title 5, United States Code (relating to certain interns, student nurses, and other student employees of hospitals of the District of Columbia Government), other than as a medical or dental intern or a medical or dental resident in training,

''(v) by an election official or election worker if the remuneration paid in a calendar year for such service is less than $1,000 with respect to service performed during 2002, and the adjusted amount determined under section 210(s)(3)(C) of the Social Security Act for any subsequent year with respect to service performed during such subsequent year, except to the extent that service by such election official or election worker is included in employment under an agreement under section 218 of the Social Security Act, or

''(vi) by an employee in a position compensated solely on a fee basis which is treated pursuant to section 1402(c)(2)(E) as a trade or business for purposes of inclusion of such fees in net earnings from self-employment.

''(B) DEFINITIONS.—As used in this paragraph, the terms 'State' and 'political subdivision' have the meanings given those terms in section 218(b) of the Social Security Act.''.

(3) CONFORMING AMENDMENTS.—

(A) Subsection (j) of section 3121 of such Code (relating to covered transportation service) is repealed.

(B) Paragraph (2) of section 3121(u) of such Code (relating to application of hospital insurance tax to Federal, State, and local employment) is amended—

(i) in subparagraph (B), by striking ''service is performed'' in clause (ii) and all that follows through the end of such subparagraph and inserting ''service is service described in subsection (t)(3)(A).''; and

(ii) in subparagraph (C)(i), by inserting ''under subsection (b)(7) as in effect on December 31, 2001'' after ''chapter''.

(c) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall apply with respect to service performed after December 31, 2001.

SEC. 8. INCREASE IN LENGTH OF COMPUTATION PERIOD FROM 35 TO 38 YEARS.

Section 215(b)(2)(B) of the Social Security Act (42 U.S.C. 415(b)(2)) is amended—

(1) in clause (ii), by striking ''and'' at the end;

(2) in clause (iii)—

(A) by striking ''age 62'' and inserting ''the applicable age''; and

(B) by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(iv) the term 'applicable age' means with respect to individuals who attain age 62—

''(I) before 2002, age 62;

''(II) in 2002, age 63;

''(III) in 2003, age 64; and

''(IV) after 2003, age 65.''.

SEC. 9. MODIFICATION OF PIA FACTORS TO REFLECT CHANGES IN LIFE EXPECTANCY.

(a) MODIFICATION OF PIA FACTORS.—Section 215(a)(1) of the Social Security Act (42 U.S.C. 415(a)(1)(B)) is amended by redesignating subparagraph (D) as subparagraph (F) and by inserting after subparagraph (C) the following:

''(D) For individuals who initially become eligible for old-age insurance benefits in any calendar year after 1999, each of the percentages under clauses (i), (ii), and (iii) of subparagraph (A) shall be multiplied the applicable number of times by .988 (.997, for any calendar year after 2017). For purposes of the preceding sentence, the term 'applicable number of times' means a number equal to the lesser of 66 or the number of years beginning with 2000 and ending with the year of initial eligibility.

''(E) For any individual who initially becomes eligible for disability insurance benefits in any calendar year after 1999, the primary insurance amount for such individual shall be equal to the greater of—

''(i) such amount as determined under this paragraph, or

''(ii) such amount as determined under this paragraph without regard to subparagraph (D) thereof.''.

(b) RESTORATION OF NORMAL RETIREMENT AGE AT 65.—

(1) IN GENERAL.—Section 216(l)(1) of the Social Security Act (42 U.S.C. 416(l) is amended to read as follows:

''(l)(1) The term 'retirement age' means 65 years of age.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 216(l) of the Social Security Act (42 U.S.C. 416(l)) is amended by striking paragraph (3).

(B) Section 202(q) of such Act (42 U.S.C. 402(q)) is amended—

(i) in paragraph (1), by striking ''Subject to paragraph (9), if'' and inserting ''If''; and

(ii) by striking paragraph (9).

(c) STUDY OF THE EFFECT OF INCREASES IN LIFE EXPECTANCY.—

(1) STUDY PLAN.—Not later than February 15, 2001, the Commissioner of Social Security shall submit to Congress a detailed study plan for evaluating the effects of increases in life expectancy on the expected level of retirement income from social security, pensions, and other sources. The study plan shall include a description of the methodology, data, and funding that will be required in order to provide to Congress not later than February 15, 2006—

(A) an evaluation of trends in mortality and their relationship to trends in health status, among individuals approaching eligibility for social security retirement benefits;

(B) an evaluation of trends in labor force participation among individuals approaching eligibility for social security retirement benefits and among individuals receiving retirement benefits, and of the factors that influence the choice between retirement and participation in the labor force;

(C) an evaluation of changes, if any, in the social security disability program that would reduce the impact of changes in the retirement income of workers in poor health or physically demanding occupations;

(D) an evaluation of the methodology used to develop projections for trends in mortality, health status, and labor force participation among individuals approaching eligibility for social security retirement benefits and among individuals receiving retirement benefits; and

(E) an evaluation of such other matters as the Commissioner deems appropriate for evaluating the effects of increases in life expectancy.

(2) REPORT ON RESULTS OF STUDY.—Not later than February 15, 2006, the Commissioner of Social Security shall provide to Congress an evaluation of the implications of the trends studied under paragraph (1), along with recommendations, if any, of the extent to which the conclusions of such evaluations indicate that projected increases in life expectancy require modification in the social security disability program and other income support programs.

SEC. 10. ELIMINATION OF EARNINGS TEST FOR INDIVIDUALS WHO HAVE ATTAINED EARLY RETIREMENT AGE.

(a) IN GENERAL.—Section 203 of the Social Security Act (42 U.S.C. 403) is amended—

(1) in subsection (c)(1), by striking ''the age of seventy'' and inserting ''early retirement age (as defined in section 216(l))'';

(2) in paragraphs (1)(A) and (2) of subsection (d), by striking ''the age of seventy'' each place it appears and inserting ''early retirement age (as defined in section 216(l))'';

(3) in subsection (f)(1)(B), by striking ''was age seventy or over'' and inserting ''was at or above early retirement age (as defined in section 216(l))'';

(4) in subsection (f)(3)—

(A) by striking ''33⅓ percent'' and all that follows through ''any other individual,'' and inserting ''50 percent of such individual's earnings for such year in excess of the product of the exempt amount as determined under paragraph (8),''; and

(B) by striking ''age 70'' and inserting ''early retirement age (as defined in section 216(l))'';

(5) in subsection (h)(1)(A), by striking ''age 70'' each place it appears and inserting ''early retirement age (as defined in section 216(l))''; and

(6) in subsection (j)—

(A) in the heading, by striking ''Age Seventy'' and inserting ''Early Retirement Age''; and

(B) by striking ''seventy years of age'' and inserting ''having attained early retirement age (as defined in section 216(l))''.

(b) CONFORMING AMENDMENTS ELIMINATING THE SPECIAL EXEMPT AMOUNT FOR INDIVIDUALS WHO HAVE ATTAINED AGE 62.—

(1) UNIFORM EXEMPT AMOUNT.—Section 203(f)(8)(A) of the Social Security Act (42 U.S.C. 403(f)(8)(A)) is amended by striking ''the new exempt amounts (separately stated for individuals described in subparagraph (D) and for other individuals) which are to be applicable'' and inserting ''a new exempt amount which shall be applicable''.

(2) CONFORMING AMENDMENTS.—Section 203(f)(8)(B) of the Social Security Act (42 U.S.C. 403(f)(8)(B)) is amended—

(A) in the matter preceding clause (i), by striking ''Except'' and all that follows through ''whichever'' and inserting ''The exempt amount which is applicable for each month of a particular taxable year shall be whichever'';

(B) in clauses (i) and (ii), by striking ''corresponding'' each place it appears; and

(C) in the last sentence, by striking ''an exempt amount'' and inserting ''the exempt amount''.

(3) REPEAL OF BASIS FOR COMPUTATION OF SPECIAL EXEMPT AMOUNT.—Section 203(f)(8)(D) of the Social Security Act (42 U.S.C. (f)(8)(D)) is repealed.

(c) ADDITIONAL CONFORMING AMENDMENTS.—

(1) ELIMINATION OF REDUNDANT REFERENCES TO RETIREMENT AGE.—Section 203 of the Social Security Act (42 U.S.C. 403) is amended—

(A) in subsection (c), in the last sentence, by striking ''nor shall any deduction'' and all that follows and inserting ''nor shall any deduction be made under this subsection from any widow's or widower's insurance benefit if the widow, surviving divorced wife, widower, or surviving divorced husband involved became entitled to such benefit prior to attaining age 60.''; and

(B) in subsection (f)(1), by striking clause (D) and inserting the following: ''(D) for which such individual is entitled to widow's or widower's insurance benefits if such individual became so entitled prior to attaining age 60,''.

(2) CONFORMING AMENDMENT TO PROVISIONS FOR DETERMINING AMOUNT OF INCREASE ON ACCOUNT OF DELAYED RETIREMENT.—Section 202(w)(2)(B)(ii) of the Social Security Act (42 U.S.C. 402(w)(2)(B)(ii)) is amended—

(A) by striking ''either''; and

(B) by striking ''or suffered deductions under section 203(b) or 203(c) in amounts equal to the amount of such benefit''.

(3) PROVISIONS RELATING TO EARNINGS TAKEN INTO ACCOUNT IN DETERMINING SUBSTANTIAL GAINFUL ACTIVITY OF BLIND INDIVIDUALS.—The second sentence of section 223(d)(4) of such Act (42 U.S.C. 423(d)(4)) is amended by striking ''if section 102 of the Senior Citizens' Right to Work Act of 1996 had not been enacted'' and inserting the following: ''if the amendments to section 203 made by section 102 of the Senior Citizens' Right to Work Act of 1996 and by the Social Security Solvency Act of 1999 had not been enacted''.

(d) STUDY OF THE EFFECT OF TAKING EARNINGS INTO ACCOUNT IN DETERMINING SUBSTANTIAL GAINFUL ACTIVITY OF DISABLED INDIVIDUALS.—

(1) IN GENERAL.—Not later than February 15, 2001, the Commissioner of Social Security shall conduct a study on the effect that taking earnings into account in determining substantial gainful activity of individuals receiving disability insurance benefits has on the incentive for such individuals to work and submit to Congress a report on the study.

(2) CONTENTS OF STUDY.—The study conducted under paragraph (1) shall include the evaluation of—

(A) the effect of the current limit on earnings on the incentive for individuals receiving disability insurance benefits to work;

(B) the effect of increasing the earnings limit or changing the manner in which disability insurance benefits are reduced or terminated as a result of substantial gainful activity (including reducing the benefits gradually when the earnings limit is exceeded) on—

(i) the incentive to work; and

(ii) the financial status of the Federal Disability Insurance Trust Fund;

(C) the effect of extending eligibility for the Medicare program to individuals during the period in which disability insurance benefits of the individual are gradually reduced as a result of substantial gainful activity and extending such eligibility for a fixed period of time after the benefits are terminated on—

(i) the incentive to work; and

(ii) the financial status of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund; and

(D) the relationship between the effect of substantial gainful activity limits on blind individuals receiving disability insurance benefits and other individuals receiving disability insurance benefits.

(3) CONSULTATION.—The analysis under paragraph (2)(C) shall be done in consultation with the Administrator of the Health Care Financing Administration.

(e) EFFECTIVE DATE.—The amendments and repeals made by subsections (a), (b), and (c) shall apply with respect to taxable years ending after December 31, 2002.

SEC. 11. SOCIAL SECURITY KIDSAVE ACCOUNTS.

Title II of the Social Security Act (42 U.S.C. 401 et seq.), as amended by section 3(a), is amended by adding at the end the following:

''PART C—KIDSAVE ACCOUNTS

''KIDSAVE ACCOUNTS

''SEC. 261. (a) ESTABLISHMENT.—The Commissioner of Social Security shall establish in the name of each individual born on or after January 1, 1995, a KidSave Account described in paragraph (1) of section 262(a), upon the later of—

''(1) the date of enactment of this part, or

''(2) the date of the issuance of a Social Security account number under section 205(c)(2) to such individual.

The KidSave Account shall be identified to the account holder by means of the account holder's Social Security account number.

''(b) CONTRIBUTIONS.—

''(1) IN GENERAL.—There are appropriated such sums as are necessary in order for the Secretary of the Treasury to transfer from the general fund of the Treasury for crediting by the Commissioner to each account holder's KidSave Account under subsection (a), an amount equal to the sum of—

''(A) in the case of any individual born on or after January 1, 2000, $1000.00, on the date of the establishment of such individual's KidSave Account, and

''(B) in the case of any individual born on or after January 1, 1995, $500.00, on the 1st, 2nd, 3rd, 4th, and 5th birthdays of such individual occurring on or after January 1, 2000.

''(2) ADJUSTMENT FOR INFLATION.—For any calendar year after 2009, each of the dollar amounts under paragraph (1) shall be increased by the cost-of-living adjustment determined under section 215(i) for the calendar year.

''(c) DESIGNATIONS REGARDING KIDSAVE ACCOUNTS.—

''(1) INITIAL DESIGNATIONS OF INVESTMENT VEHICLE.—A person described in subsection (d) shall, on behalf of the individual described in subsection (a), designate the investment vehicle for the KidSave Account to which contributions on behalf of such individual are to be deposited. Such designation shall be made on the application for such individual's Social Security account number.

''(2) CHANGES IN INVESTMENT VEHICLES OR TYPES OF KIDSAVE ACCOUNTS.—The Commissioner shall by regulation provide the time and manner by which—

''(A) an individual or a person described in subsection (d) on behalf of such individual may change 1 or more investment vehicles for a KidSave Account described in paragraph (1) of section 262(a), and

''(B) an individual or a person described in subsection (d) on behalf of such individual may designate a KidSave Account described in paragraph (2) of section 262(a) or a voluntary investment account described in paragraph (1) or (2) of section 254(a) of the individual to which all or a portion of the amounts in an existing KidSave Account described in paragraph (1) of section 262(a) are to be transferred.

''(d) TREATMENT OF MINORS AND INCOMPETENT INDIVIDUALS.—Any designation under subsection (c) to be made by a minor, or an individual mentally incompetent or under other legal disability, may be made by the person who is constituted guardian or other fiduciary by the law of the State of residence of the individual or is otherwise legally vested with the care of the individual or his estate. Payment under this part due a minor, or an individual mentally incompetent or under other legal disability, may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of the claimant or is otherwise legally vested with the care of the claimant or his estate. In any case in which a guardian or other fiduciary of the individual under legal disability has not been appointed under the law of the State of residence of the individual, if any other person, in the judgment of the Commissioner, is responsible for the care of such individual, any designation under subsection (c) which may otherwise be made by such individual may be made by such person, any payment under this part which is otherwise payable to such individual may be made to such person, and the payment of an annuity payment under this part to such person bars recovery by any other person.

''DEFINITIONS AND SPECIAL RULES

''SEC. 262. (a) KIDSAVE ACCOUNTS.—For purposes of this part—

''(1) a KidSave Account described in this paragraph is a KidSave Account in the Voluntary Investment Fund (established under section 255(a)), and

''(2) a Kidsave Account described in this paragraph is any individual retirement plan (as defined in section 7701(a)(37) of the Internal Revenue Code of 1986), other than a Roth IRA (as defined in section 408A(b) of such Code), which is designated by an individual as a KidSave Account (in such manner as the Secretary of the Treasury may prescribe) and which is administered or issued by a bank or other person referred to in section 408(a)(2) of such Code.

''(b) TREATMENT OF ACCOUNTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2)—

''(A) any KidSave Account described in subsection (a)(1) shall be treated in the same manner as an account in the Thrift Savings Fund under subchapter III of chapter 84 of title 5, United States Code, and

''(B) any KidSave Account described in subsection (a)(2) shall be treated in the same manner as an individual retirement plan (as so defined).

''(2) EXCEPTIONS.—

''(A) CONTRIBUTION LIMIT.—The aggregate amount of contributions for any taxable year to all KidSave Accounts of an individual shall not exceed the contribution made pursuant to section 261(b) for such year on behalf of such individual.

''(B) ROLLOVER CONTRIBUTIONS.—No rollover contribution may be made to a KidSave Account unless it is from another KidSave Account. A rollover described in the preceding sentence shall not be taken into account for purposes of subparagraph (A).

''(C) DISTRIBUTIONS.—Notwithstanding any other provision of law, distributions may only be made from a KidSave Account of an individual on or after the earlier of—

''(i) the date on which the individual begins receiving benefits under this title, or

''(ii) the date of the individual's death.''.

SOCIAL SECURITY SOLVENCY ACT OF 1999 INTRODUCED ON JANUARY 19, 1999, BY SENATORS MOYNIHAN AND KERREY—BRIEF DESCRIPTION OF PROVISIONS

I. REDUCE PAYROLL TAXES AND RETURN TO PAY-AS-YOU-GO SYSTEM WITH VOLUNTARY PERSONAL SAVINGS ACCOUNTS

A. Reduce payroll taxes and return to pay-as-you-go

The bill would return Social Security to a pay-as-you-go system. That is, payroll tax rates would be adjusted so that annual revenues from taxes closely match annual outlays. This makes possible an immediate payroll tax cut of approximately $800 billion over the next 10 years, with reduced rates remaining in place for the next 30 years. Payroll tax rates would be cut from 12.4 to 10.4 percent for the period 2002 to 2029, and the rate would not increase above 12.4 percent until 2035. Even in the out-years, the pay-as-you-go rates under the plan will increase only slightly above the current rate of 12.4 percent. Based on estimates prepared last year the proposed rate schedule is:

Years:

	Percent
2002–2029	10.4
2030–2034	12.4
2035–2049	12.9
2050–2059	13.3
2060 and thereafter	13.7

To ensure continued solvency, the Board of Trustees of the Social Security Trust Funds would make recommendations for a new pay-as-you-go tax rate schedule if the Trust Funds fall out of close actuarial balance. The new tax rate schedule would be considered by Congress under fast track procedures.

B. Personal savings accounts

Beginning in 2002, the bill would permit voluntary personal savings accounts which workers could finance with the proceeds of the two percentage point cut in the payroll tax. Alternatively, a worker could simply take the employee share of the tax cut (one percent of wages) as an increase in take-home pay. In addition, KidSave accounts, of up to $3,500, would be opened for all children born in 1995 or later.

C. Increase in amount of wages subject to tax

Under current law, the Social Security payroll tax applies only to the first $72,600 of wages in 1999. At that level, about 85 percent of wages in covered employment are taxed. That percentage has been falling because wages of persons above the taxable maximum have been growing faster than wages of persons below it.

Historically, about 90 percent of wages have been subject to tax. Under the bill, the taxable maximum would be increased to $99,900 (thereby imposing the tax on about 87 percent of wages) by 2004. Thereafter, automatic changes in the base, tied to increases in average wages, would be resumed. (Under current law, the taxable maximum is projected to increase to $84,900 in 2004, with automatic changes also continuing thereafter.)

II. INDEXATION PROVISIONS

A. Correct cost of living adjustments by one percentage point

The bill includes a one percentage point correction in cost of living adjustments. The correction would apply to all indexed programs (outlays and revenues) except Supplemental Security Income. The Bureau of Labor Statistics has made some improvements in the Consumer Price Index, but most of these were already taken into account when the Boskin Commission appointed by the Senate Finance Committee reported in 1996 that the overstatement of the cost of living by the CPI was 1.1 percentage points.[1] Members of the Commission believe that the overstatement will average about one percentage point for the next several years. The proposed legislation would also establish a Cost of Living Board to determine on an annual basis if further refinements are necessary.

B. Adjustments in monthly benefits related to changes in life expectancy

Under current law, the so-called normal retirement age (NRA) is scheduled to gradually increase from age 65 to 67. In practice, the NRA is important as a benchmark for determining the monthly benefit amount, but it does not reflect the actual age at which workers receive retirement benefits. More than 70 percent of workers begin collecting Social Security retirement benefits before they reach age 65, and more than 50 percent do so at age 62. Under the bill, workers can continue to receive benefits at age 62 and the provision in the 1983 Social Security amendments that increased the NRA to 67 is repealed. Instead, under this legislation, if life expectancy increases the level of monthly benefits payable at age 65 (or at the age at which the worker actually retires) decreases.

These changes in monthly benefits are a form of indexation that mirrors the projected gradual increase in life expectancy over a period of more than 100 years. For example, persons who retired in 1960 at age 65 had a life expectancy, at age 65, of 15 years and spent about 25 percent of their adult life in retirement. Persons retiring in 2060, at age 70, are projected to have a life expectancy at age 70 of more than 16 years, and thus would also spend about 25 percent of their adult life in retirement.

III. PROGRAM SIMPLIFICATION—REPEAL OF EARNINGS TEST

The so-called earnings test would be eliminated for all beneficiaries age 62 and over, beginning in 2003. (Under current law, the test increases to $30,000 in 2002.) Under the earnings test benefits are withheld (reduced) for one million beneficiaries because wages are in excess of the earnings limit. This is an unnecessary administrative burden because beneficiaries eventually receive all of the benefits that are withheld. Indeed, Social Security Administration actuaries estimate that the long-run cost of repealing the earnings test is zero.

IV. OTHER CHANGES

All three factions of the 1994–96 Social Security Advisory Council supported some variation of the following common sense changes in the program.

A. Normal Taxation of Benefits

Social Security benefits would be taxed to the same extent private pensions are taxed. That is, Social Security benefits would be taxed to the extent that the worker's benefits exceed his or her contributions to the system (currently about 95 percent of benefits would be taxed). This provision would be phased-in over the 5 year period 2000–2004.

B. Coverage of Newly Hired State and Local Employees

Effective in 2002, Social Security coverage would be extended to newly hired employees in currently excluded State and local positions. Inclusion of State and local workers is sound public policy because most of the five million State and local employees (about a quarter of all State and local employees) not covered by Social Security in their government employment do receive Social Security benefits as a result of working at other jobs—part-time or otherwise—that are covered by Social Security. Relative to their contributions these workers receive generous benefits.

C. Increase in Length of Computation Period

The legislation would increase the length of the computation period from 35 to 38 years. Consistent with the increase in life expectancy and the increase in the retirement age we would expect workers to have more years with earnings. Computation of their benefits should be based on these additional years of earnings.

SUMMARY OF BUDGET EFFECTS

The legislation provides for long-run solvency of Social Security, with little or no effect on the budget surplus. In the Economic and Budget Outlook: Update, released in August, 1998, the Congressional Budget Office (CBO) projected that for the five-year period FY 1999–2003, the cumulative surplus would be $520 billion, and $1.548 trillion for the ten-year period FY 1999–2008. Preliminary estimates, based on these budget projections, indicate that this legislation, while preserving Social Security, and while reducing payroll taxes by almost $800 billion, will reduce the ten-year cumulative surplus by less than $200 billion. In no year is there a budget deficit. (CBO will provide updated budget estimates after its new baseline is released later this month.)—Prepared by the Senate Finance Committee Minority Staff, January, 1999.

PAY-AS-YOU-GO PAYROLL TAX RATES REQUIRED TO FUND SOCIAL SECURITY

Year	Assuming no program changes	Social Security Solvency Act of 1999
2002	10.40	10.40
2005	10.40	10.40
2010	10.40	10.40
2015	12.40	10.40
2020	15.20	10.40
2025	16.50	10.40
2030	17.00	12.40
2035	17.00	12.90
2040	17.00	12.90
2045	17.00	12.90
2050	17.00	13.30
2055	17.80	13.30
2060	17.80	13.70
2065	17.80	13.70
2070	18.30	13.70

Note: The Social Security payroll tax rate is fixed by statute at 12.4 percent. Assuming no program changes the current law program is not sustainable. In 2013, outgo for the OASDI program will exceed tax revenues. In 2032, all OASDI assets (reserves) will be expended, after which tax revenues will only be sufficient to pay 75 percent or less or promised benefits.

[1] A number of improvements announced by the BLS after this legislation was first introduced in 1998 would lower the reported change in prices. The authors are considering what modifications, if any, should be made to the bill as a result of the BLS announcements. They are also discussing, with the Social Security actuaries, the effects of this change on the long-run projections made by the actuaries.

CBO BUDGET ESTIMATES—FISCAL YEARS 1999–2008

(In billions of dollars)

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Cumulative surplus: 5 years 1999–2003	Cumulative surplus: 10 years 1999–2008
Estimated surplus under current policies: CBO summer 1998 budget projection	80	79	86	139	136	154	170	217	236	251	520	1,548
Estimated surplus under the Social Security Solvency Act of 1999	80	48	50	92	89	121	153	211	240	268	359	1,352

Prepared by the Senate Finance Committee Minority Staff based on the Congressional Budget Office Summer 1998 Budget projection and preliminary estimate of the Social Security Solvency Act of 1999. January 1999.

By Mr. MOYNIHAN (for himself, Mr. HELMS, Mr. LOTT, Mr. DASCHLE, Mr. THOMPSON, Ms. COLLINS, and Mr. SCHUMER):

S. 22. A bill to provide for a system to classify information in the interests of national security and a system to declassify information, and for other purposes; to the Committee on Governmental Affairs.

THE GOVERNMENT SECRECY REFORM ACT

Mr. MOYNIHAN. Mr. President, I rise to introduce the Government Secrecy Reform Act. I would like to begin by thanking my cosponsors, Senators HELMS, LOTT, DASCHLE, THOMPSON, COLLINS, and SCHUMER. The legislation that we introduce today is intended to implement the core recommendation of the Commission on Protecting and Reducing Government Secrecy: a statute establishing the principles to govern the classification and declassification of information.

The Federal government has a legitimate interest in maintaining secrets in order to fulfill its Constitutional charge to ''provide for the common defense.'' At the same time, this interest must be balanced by the public's right to be informed of government activities.

The Commission on Protecting and Reducing Government Secrecy, which I chaired, found a secrecy system out of balance: one which has lost the confidence of many inside and outside the Government. Consequently, information needing protection does not always receive it, while innocuous information is classified and remains classified. The Commission found in its 1997 report that ''[t]he best way to ensure that secrecy is respected, and that the most important secrets remain secret, is for secrecy to be returned to its limited but necessary role. Secrets can be protected more effectively if secrecy is reduced overall.''

Begin with the concept that secrecy should be understood as a form of government regulation. This was an insight of the Commission, building on the work of the great German sociologist Max Weber. The instinct of the bureaucracy, Weber wrote, was to ''increase the superiority of the professionally informed by keeping their knowledge and intentions secret.'' The concept of the 'official secret' ''is the specific invention of bureaucracy, and nothing is so fanatically defended by the bureaucracy as this attitude.''

We traditionally think of regulation as a means to govern how citizens are to behave. Whereas public regulation involves what citizens may do, secrecy concerns what citizens may know. And the citizen does not know what may not be known. As our Commission stated: ''Americans are familiar with the tendency to overregulate in other areas. What is different with secrecy is that the public cannot know the extent or the content of the regulation.''

Thus, secrecy is the ultimate mode of regulation; the citizen does not even know that he or she is being regulated! It is a parallel regulatory regime with a far greater potential for damage if it malfunctions. In our democracy, where the free exchange of ideas is so essential, it can be suffocating.

To reform this system, the Commission recommended legislation be adopted. Senator JESSE HELMS and I, and Representatives LARRY COMBEST and Lee Hamilton (all Commissioners), introduced the Government Secrecy Act on May 7, 1997. Our core objective is to ensure that secrecy proceed according to law. Since the Truman Administration, classification and declassification have been governed by a series of executive orders but not one has created a stable and reliable system to ensure we protect what truly needs protecting and nothing more. The system lacks the discipline of a legal framework to define and enforce the proper uses of secrecy. The proposed statute can help ensure that the present regulatory regime will not simply continue to flourish without any restraint and without meaningful oversight and accountability.

The Senate Governmental Affairs Committee, Chaired by Senator THOMPSON of Tennessee, considered the bill is the 105th Congress and reported it unanimously. In its report to accompany the bill, the Committee had this important insight:

> Our liberties depend on the balanced structure created by James Madison and the other framers of the Constitution. The national security information system has not had a clear legislative foundation, but . . . has been developed through a series of executive orders. It is time to bring this executive monopoly over the issue to an end, and to begin to engage in the same sort of dialogue between Congress and the executive that characterizes the development of government policy in all other means.

As the Cold War gathered, this ''executive monopoly'' as the Governmental Affairs Committee has termed it, was spawned. The United States had to organize itself to deal with aggression from the Soviet Union. American society in peacetime began to experience wartime regulation. The awful dilemma was that in order to preserve an open society, the U.S. government took measures that in significant ways closed it down. The culture of secrecy that evolved was intended as a defense against two antagonists: the enemy abroad and the enemy within.

Edward Shils chronicled the perils of this growing secrecy system in his 1956 work, The Torment of Secrecy. He said of this era:

> The American visage began to cloud over. Secrets were to become our chief reliance just when it was becoming more and more evident that the Soviet Union had long maintained an active apparatus for espionage in the United States. For a country which had never previously thought of itself as an object of systematic espionage by foreign powers, it was unsettling.

The larger society, Shils continued, was ''facing an unprecedented threat to its continuance.'' In such circumstances, ''the phantasies of apocalyptic visionaries now claimed the respectability of being a reasonable interpretation of the real situation.''

Shils was writing, as he explained in his Foreword, ''after nearly a decade of degrading agitation and numerous unnecessary and unworthy actions . . .'' Today, by contrast, the public and its representatives have few of the concerns of ideological ''infiltration'' that dominated our attention and our domestic politics during the decade preceding Shils' book.

Indeed, if there is such a thing as a ''typical'' case of espionage, it involves an employee well into mid-career who sells national security secrets out of greed, not because of any ideologically-based motivation.

Moreover, today it is the United States government that increasingly finds itself the object of what Shils four decades ago termed the ''phantasies of apocalyptic visionaries.''

Conspiracy theories have been with us since the birth of the Republic. The best-known and most notorious is, of course, the unwillingness on the part of the vast majority of the American public to accept that President Kennedy was assassinated in 1963 by Lee Harvey Oswald acting alone. A poll taken in 1966, two years after release of the Warren Commission report concluding that Oswald had acted alone, found that 36 percent of respondents accepted this finding, while 50 percent believed others had been involved in a conspiracy to kill the President. By 1978 only 18 percent responded that they believed the assassination had been the act of one man; fully 75 percent believed

there had been a broader plot. The numbers have remained relatively steady since; a 1993 poll also found that three-quarters of those surveyed believed (consistent with the film JFK, released that year) that there had been a conspiracy.

It so happens that I was in the White House at the hour of the President's death (I was an assistant labor secretary at the time). I feared what would become of Oswald if he were not protected and I pleaded that we must get custody of him. But no one seemed to be able to hear. Presently Oswald was killed, significantly complicating matters.

I did not think there had been a conspiracy to kill the president, but I was convinced that the American people would sooner or later come to believe that there had been one unless we investigated the event with exactly that presumption in mind. The Warren Commission report and the other subsequent investigations, with their nearly universal reliance on secrecy, did not dispel any such fantasies.

The Assassination Records Review Board has now completed its Congressionally mandated review and release of documents related to President Kennedy's assassination. It has assembled at the National Archives a thorough collection of documents and evidence that was previously secret and scattered about the government. The Review Board found that while the public has continued to search for answers over the past thirty-five years:

> [T]he official record on the assassination of President Kennedy remained shrouded in secrecy and mystery.
>
> The suspicions created by government secrecy eroded confidence in the truthfulness of federal agencies in general and damaged their credibility.

Credibility eroded needlessly, as most of the documents which the Board reviewed were declassified. In conducting this document-by-document review of classified information, the Board reports that ''the federal government needlessly and wastefully classified and then withheld from public access countless important records that did not require such treatment.''

With the Government Secrecy Reform Act, we are not proposing putting an end to government secrecy. Far from it. It is at times terribly necessary and used for the most legitimate reasons—ranging from military operations to diplomatic endeavors. Indeed, much of our Commission's report is devoted to explaining the varied circumstances in which secrecy is most essential. Yet, the bureaucratic attachment to secrecy has become so warped that, in the words of Kermit Hall, a member of the Assassination Records Review Board, it has transformed into ''a deeply ingrained commitment to secrecy as a form of partriotism.'' From this perspective, it is easy to see how secrecy became the norm.

Secrecy need not remain the only norm—particularly when one considers that the current badly overextended system frequently fails to protect its most important secrets adequately. We must develop what might be termed a competing ''culture of openness''—fully consistent with our interests in protecting national security. A culture in which power and authority are no longer derived primarily from one's ability to withhold information from others in government and the public at large.

This is our purpose in introducing the Government Secrecy Reform Act. I thank those who have agreed to cosponsor the bill and ask my colleagues to lend it the attention it deserves.

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

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

S. 22

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 ''Government Secrecy Reform Act of 1999''.

SEC. 2. CLASSIFICATION AND DECLASSIFICATION OF INFORMATION.

(a) IN GENERAL.—The President may, in accordance with the provisions of this Act, protect from unauthorized disclosure any information owned by, produced by or for, or under the control of the executive branch when there is a demonstrable need to do so in order to protect the national security of the United States.

(b) ESTABLISHMENT OF STANDARDS AND PROCEDURES FOR CLASSIFICATION AND DECLASSIFICATION.—

(1) GOVERNMENTWIDE PROCEDURES.—

(A) CLASSIFICATION.—The President shall, to the extent necessary, establish categories of information that may be classified and procedures for classifying information under subsection (a).

(B) DECLASSIFICATION.—At the same time the President establishes categories and procedures under subparagraph (A), the President shall establish procedures for declassifying information that was previously classified.

(2) NOTICE AND COMMENT.—

(A) NOTICE.—The President shall publish in the Federal Register notice regarding the categories and procedures proposed to be established under paragraph (1).

(B) COMMENT.—The President shall provide an opportunity for interested persons to submit comments on the categories and procedures covered by subparagraph (A).

(C) DEADLINE.—The President shall complete the establishment of categories and procedures under paragraph (1) not later than 60 days after publishing notice in the Federal Register under subparagraph (A). Upon completion of the establishment of such categories and procedures, the President shall publish in the Federal Register notice regarding such categories and procedures.

(3) MODIFICATION.—In the event the President determines to modify any categories or procedures established under paragraph (1), subparagraphs (A) and (B) of paragraph (2) shall apply to such modification.

(4) AGENCY STANDARDS AND PROCEDURES.—

(A) IN GENERAL.—The head of each agency shall establish standards and procedures to permit such agency to classify and declassify information created by such agency in accordance with the categories and procedures established by the President under this section and otherwise to carry out the provisions of this Act. Such standards and procedures shall include mechanisms to minimize the risk of inadvertent or inappropriate declassification of previously classified information (including information classified by other agencies).

(B) GUIDANCE.—

(i) IN GENERAL.—The President shall require the head of each agency with original classification authority to produce written guidance on the classification and declassification of information in order to improve the classification and declassification of information by such agency and the derivative classification of information and declassification of derivatively classified information by such agency and other agencies. Such guidance may be treated as classified information under this Act.

(ii) DECLASSIFICATION PERIOD FOR CERTAIN INFORMATION.—

(I) IN GENERAL.—In producing written guidance under clause (i), the head of an agency may specify types and categories of information that may remain classified for up to 25 years after the date of original classification.

(II) APPROVAL REQUIRED.—The specification of a type or category of information under subclause (I) shall be effective only with the approval of the Director of the Office of National Classification and Declassification Oversight.

(C) DEADLINE.—Each agency head shall establish standards and procedures under subparagraph (A) and produce written guidance under subparagraph (B) not later than 60 days after the date on which the President publishes notice under paragraph (2)(C) of the categories and standards established by the President under paragraph (1).

(D) PUBLICATION.—Each agency head shall publish in the Federal Register the standards and procedures established by such agency head under subparagraph (A).

(c) STANDARD FOR CLASSIFICATION AND DECLASSIFICATION DECISIONS.—

(1) IN GENERAL.—Subject to paragraph (2), information may be classified under this Act, and classified information under review for declassification under this Act may remain classified, only if the harm to national security that might reasonably be expected from disclosure of such information outweighs the public interest in disclosure of such information.

(2) DEFAULT RULE.—In the event of significant doubt whether the harm to national security that might reasonably be expected from the disclosure of information would outweigh the public interest in the disclosure of such information, such information shall not be classified or, in the case of classified information under review for declassification, declassified.

(3) FACTORS IN DECISIONS.—

(A) IN GENERAL.—The President shall prescribe the factors to be utilized in deciding for purposes of paragraph (1) whether the disclosure of information might reasonably be expected to harm national security or might serve the public interest.

(B) GUIDANCE.—In prescribing factors under subparagraph (A), the President shall also prescribe guidance to be utilized in applying such factors. The guidance shall specify with reasonable detail the weight to be assigned each factor and the manner of balancing among opposing factors of similar or different weight.

(C) PROCESS.—The President shall prescribe factors and guidance under this paragraph at the same time the President establishes categories and procedures under subsection (b)(1) and subject to the notice and

comment procedures set forth under subsection (b)(2).

(d) WRITTEN JUSTIFICATION FOR CLASSIFICATION.—

(1) ORIGINAL CLASSIFICATION.—Each agency official who makes a decision to classify information not previously classified shall, at the time of such decision—

(A) identify himself or herself;

(B) provide in writing a detailed justification of that decision; and

(C) indicate the basis for the classification of the information with reference to the written guidance produced under subsection (b)(4)(B).

(2) DERIVATIVE CLASSIFICATION.—In any case in which an agency official or contractor employee classifies a document on the basis of information previously classified that is included or referenced in the document, the official or employee, as the case may be, shall—

(A) identify himself or herself in that document; and

(B) provide a concise explanation of that decision.

(e) DECLASSIFICATION OF INFORMATION CLASSIFIED UNDER ACT.—

(1) IN GENERAL.—Except as provided in paragraphs (2), (3), and (4), information classified under this Act may not remain classified under this Act after the date that is 10 years after the date of the original classification of the information.

(2) EARLIER DECLASSIFICATION.—When classifying information under this Act, an agency official may provide for the declassification of the information as of a date or event that is earlier than the date otherwise provided for under paragraph (1).

(3) LATER DECLASSIFICATION.—

(A) IN GENERAL.—When classifying information under this Act, an agency official with original classification authority over the information may provide for the declassification of the information on a date that is up to 25 years after the date of original classification in accordance with the guidance approved under subsection (b)(4)(B)(ii).

(B) POSTPONEMENT.—The actual date of the declassification of information referred to in subparagraph (A) may be postponed under paragraph (4)(D).

(4) POSTPONEMENT OF DECLASSIFICATION.—

(A) IN GENERAL.—The declassification of any information or category of information that would otherwise be declassified under paragraph (1) or (2) may be postponed if an official of the agency with original classification authority over the information or category of information, as the case may be, determines, before the time of declassification for such information otherwise provided for under paragraph (1) or (2), as the case may be, that the information or category of information, as the case may be, should remain classified.

(B) PROCEDURE.—An official may not implement a determination under subparagraph (A) until the official obtains the concurrence of the Director of the Office of National Classification and Declassification Oversight in the determination.

(C) GENERAL DURATION OF POSTPONEMENT.—Except as provided in subparagraph (D), information the declassification of which is postponed under this paragraph may remain classified not longer than 15 years after the date of the postponement.

(D) EXTENDED DURATION OF POSTPONEMENT.—

(i) IN GENERAL.—Subject to clauses (ii) and (iii), the declassification of any information that would otherwise be declassified under subparagraph (C) or paragraph (3) may be postponed if an official of the agency with original classification authority over the information determines that extraordinary circumstances require that the information remain classified.

(ii) PROCEDURES.—An official may not implement a determination under clause (i) until the official—

(I) obtains the concurrence of the Director of the Office of National Classification and Declassification Oversight in the determination; and

(II) submits to the President a certification of the determination.

(iii) REVIEW.—The President shall establish a schedule for the review of the need for continued classification of any information the declassification of which is postponed under this subparagraph. Such information shall be declassified at the earliest possible time after the termination of the circumstances with respect to such information referred to in clause (i).

(E) CONCURRENCES.—A concurrence at the direction of the Classification and Declassification Review Board on appeal under section 4(c)(2) and a concurrence at the direction of the President on appeal under section 5(a) shall be treated as a concurrence of the Director of the Office of National Classification and Declassification Oversight for purposes of subparagraphs (B) and (D)(ii)(I).

(5) APPROVAL REQUIRED FOR DECLASSIFICATION OF INFORMATION.—Except as provided in this Act, no information classified under this Act may be declassified or released without the approval of the agency that originally classified the information.

(6) SPECIFICATION OF DECLASSIFICATION DATE OR EVENT.—Each agency official making a decision to classify information under this subsection shall specify upon such information the date or event of its declassification.

(f) DECLASSIFICATION OF CURRENT CLASSIFIED INFORMATION.—

(1) PROCEDURES.—The President shall establish procedures for declassifying information that was classified before the effective date of this Act. Such procedures shall, to the maximum extent practicable, be consistent with the provisions of this section.

(2) AUTOMATIC DECLASSIFICATION.—The procedures established under paragraph (1) shall include procedures for the automatic declassification of information referred to in that paragraph that has remained classified for more than 25 years as of the effective date referred to in that paragraph.

(3) NOTICE AND COMMENT.—

(A) NOTICE.—The President shall publish notice in the Federal Register of the procedures proposed to be established under this subsection.

(B) COMMENT.—The President shall provide an opportunity for interested persons to submit comments on the procedures covered by subparagraph (A).

(C) DEADLINE.—The President shall complete the establishment of procedures under this subsection not later than 60 days after publishing notice in the Federal Register under subparagraph (A). Upon completion of the establishment of such procedures, the President shall publish in the Federal Register notice regarding such procedures.

(g) CONFORMING AMENDMENT TO FOIA.—Section 552(b)(1) of title 5, United States Code, is amended to read as follows:

''(1) (A) specifically authorized to be classified under the Government Secrecy Reform Act of 1999 or specifically authorized under criteria established by an Executive order to be kept secret in the interest of national security and (B) are in fact properly classified pursuant to that Act or Executive order;''.

SEC. 3. OFFICE OF NATIONAL CLASSIFICATION AND DECLASSIFICATION OVERSIGHT.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established within the National Archives and Records Administration an office to be known as the Office of National Classification and Declassification Oversight (in this section referred to as the ''Oversight Office'').

(2) PURPOSE.—The purpose of the Oversight Office is to standardize the policies and procedures used by agencies to assess information for initial classification and to review information for declassification.

(3) POLICY GUIDANCE.—On behalf of the President, the Assistant to the President for National Security Affairs shall provide policy guidance to the Oversight Office.

(4) BUDGET.—

(A) CONSULTATION IN PREPARATION.—The Archivist of the United States shall consult with the Assistant to the President for National Security Affairs and the Director of the Office of Management and Budget in preparing the annual budget request for the Oversight Office.

(B) PRESENTATION.—The annual budget request for the Oversight Office shall appear as a distinct item in the annual budget request of the National Archives and Records Administration.

(b) DIRECTOR.—

(1) IN GENERAL.—There shall be a Director of the Office of National Classification and Declassification Oversight who shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall be the head of the Oversight Office.

(2) QUALIFICATIONS.—To the maximum extent practicable, the President shall nominate for appointment as Director individuals who have experience in policy relating to classification and declassification of information, records management, and information technology.

(3) SUPERVISION.—The Director shall report directly to the Archivist of the United States.

(4) EXECUTIVE SCHEDULE.—Section 5315 of title 5, United States Code, is amended by adding at the end the following:

''Director, Office of National Classification and Declassification Oversight.''.

(c) PERSONNEL AND RESOURCES.—

(1) TRANSFER.—All personnel, funds, and other resources of the Information Security Oversight Office are hereby transferred to the Oversight Office and shall constitute the personnel, funds, and other resources of the Oversight Office.

(2) INTERIM DIRECTOR.—The Director of the Information Security Oversight Office shall serve as acting Director of the Oversight Office until a Director of the Oversight Office is appointed under subsection (b)(1).

(d) DUTIES.—The Oversight Office shall—

(1) coordinate and oversee the classification and declassification policies and practices of agencies in order to ensure the compliance of such policies and procedures with the provisions of this Act;

(2) develop and issue directives, instructions, and educational aids and forms to assist in the implementation of the provisions of this Act;

(3) develop a program of research and development of technologies to improve the efficiency of classification and declassification processes under this Act;

(4) determine whether or not information is classified in violation of this Act and order that information determined to be classified in violation of this Act be declassified by the agency that originated the classification;

(5) determine whether an agency determination to postpone the declassification of information under section 2(e)(4) is consistent with the provisions of this Act;

(6) review the proposed budgets of agencies for classification and declassification programs and make recommendations to the Office of Management and Budget as to means of ensuring that such budgets provide sufficient funds to permit agencies to comply with the requirements of this Act;

(7) oversee special access programs consistent with its other duties under this section;

(8) conduct audits and on-site reviews of agency classification and declassification programs; and

(9) establish and maintain a Government-wide database on the declassification activities of the Government, including an unclassified version of the database available to the public.

(e) AGENCY COOPERATION.—

(1) IN GENERAL.—Subject to the control and supervision of the President, each agency shall provide the Oversight Office such information and other cooperation as the Director of the Oversight Office considers appropriate to permit the Oversight Office to carry out its duties.

(2) SPECIAL ACCESS PROGRAMS.—The head of an agency with jurisdiction over special access programs may—

(A) limit access to such programs to not more than the Director and one other employee of the Oversight Office; and

(B) upon the concurrence of the President, deny access by the Oversight Office to any such program if the head of such agency determines that such access would pose an exceptional risk to national security.

(f) APPEALS FROM CERTAIN DECISIONS.—

(1) IN GENERAL.—An agency may appeal to the Classification and Declassification Review Board any declassification order or determination under paragraph (4) or (5) of subsection (d).

(2) DEADLINE.—An agency may appeal an order or determination under paragraph (1) only if the agency submits the appeal to the Board not later than 60 days after the date of the order or determination, as the case may be.

(g) PROTECTION OF INFORMATION.—The Director of the Oversight Office shall take appropriate actions to prevent disclosure to the public of classified information that is provided to the Oversight Office. Such actions shall include a requirement that the staff of the Oversight Office possess security clearances appropriate for the information considered and reviewed by the Oversight Office.

(h) ANNUAL REPORT.—

(1) REQUIREMENT.—Not later than March 31 each year, the Director of the Oversight Office shall submit to Congress and to the President a report on the compliance of agencies with the requirements of this Act.

(2) ELEMENTS.—Each report under paragraph (1) shall—

(A) include a summary of the extent of the compliance of agencies Government-wide with the requirements of this Act as of the date of such report; and

(B) set forth an assessment of the compliance of each agency with such requirements as of that date.

(3) FORM.—Each report under paragraph (1) shall be submitted in unclassified form, but may include a classified annex.

(4) AVAILABILITY.—The Oversight Office shall make available to the public the unclassified form of each report under paragraph (1) on an Internet Web site maintained by the Oversight Office.

SEC. 4. CLASSIFICATION AND DECLASSIFICATION REVIEW BOARD.

(a) ESTABLISHMENT.—There is established within the Executive Office of the President a board to be known as the Classification and Declassification Review Board (in this section referred to as the ''Board'').

(b) MEMBERSHIP AND PROCEDURAL MATTERS.—

(1) IN GENERAL.—The Board shall consist of five members appointed by the President, by and with the advice and consent of the Senate, of whom—

(A) four shall be private citizens;

(B) two shall be officers or employees of the Federal Government; and

(2) QUALIFICATIONS.—

(A) PRIVATE CITIZENS.—The members of the Board who are private citizens shall be appointed from among individuals who are distinguished historians, political scientists, archivists, and other social scientists or who otherwise have demonstrated expertise in matters relating to the national security of the United States, records management, or government information policy.

(B) GOVERNMENT EMPLOYEES.—The members of the Board who are officers or employees of the Federal Government shall be appointed from among such officers and employees who have demonstrated expertise in matters referred to in subparagraph (A).

(C) CHANGE IN EMPLOYMENT.—Notwithstanding any provision of paragraph (1), the commencement or termination of service as an officer or employee of the Federal Government of an individual appointed as a member of the Board under that paragraph before such commencement or termination shall not affect the continuation of such individual as a member of the Board.

(3) NOMINATIONS.—

(A) CONSULTATION.—In nominating individuals for appointment to the Board, the President shall consult with the Secretary of Defense, Secretary of State, Attorney General, Assistant to the President for National Security Affairs, Director of Central Intelligence, Archivist of the United States, and Director of the Office of Management and Budget.

(B) LIMITATION.—The President may not nominate for appointment to the Board any individual who has previously served as a member of the Board.

(C) INITIAL NOMINATIONS.—The President shall make the first nominations of individuals for appointment to the Board not later than 120 days after the effective date of this Act.

(D) BIPARTISAN REPRESENTATION.—Of the members of the Board appointed under paragraph (1)(A), not more than tow shall be of the same political party.

(4) PRESIDING OFFICER.—The President shall designate a member of the Board appointed under paragraph (1)(A) to serve as the Presiding Officer of the Board.

(5) TERM.—Members of the Board shall be appointed for a term of 4 years, except that of the members first nominated for appointment to the Board under paragraph (3)(C)—

(A) two shall be nominated for a 4-year term (including the member who shall be the Presiding Officer of the Board);

(B) two shall be nominated for a 3-year term; and

(C) two shall be nominated for a 2-year term.

(6) VACANCIES.—An individual appointed to fill a vacancy shall be appointed for the unexpired term of the member replaced.

(7) PROCEDURAL MATTERS.—

(A) QUORUM.—A majority of the members of the Board shall constitute a quorum, but a lesser number of members may hold hearings.

(B) RULES AND PROCEDURES.—

(i) REQUIREMENT.—The Board shall establish, and may from time to time modify, such rules and procedures as the Board considers appropriate to carry out its duties. Such rules and procedures shall provide that a decision of the Board requires a vote of a majority of the members of the Board.

(ii) PUBLICATION.—The Board shall publish its rules and procedures in the Federal Register.

(iii) INITIAL RULES AND PROCEDURES.—The Board shall establish its initial rules and procedures not later than 90 days after the date of initial meeting of the Board.

(c) POWERS AND DUTIES.—The Board shall—

(1) decide on appeals by agencies which challenge a declassification order of the Office of National Classification and Declassification Oversight under section 3(d)(4);

(2) decide on appeals by agencies which challenge a determination of that Office not to concur in the postponement of the declassification of information under section 3(d)(5); and

(3) decide on appeals by persons or entities who have filed requests for mandatory declassification review.

(d) PROTECTION OF INFORMATION.—The Board shall take appropriate actions to prevent the disclosure to the public of classified information that is provided to the Board. Such actions shall include a requirement that the members and staff of the Board possess security clearances appropriate for the information considered and reviewed by the Board.

(e) PERSONNEL MATTERS.—

(1) COMPENSATION.—

(A) COMPENSATION.—Each member of the Board who is a private citizen shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Board.

(B) TRAVEL EXPENSES.—The members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Board.

(2) STAFF.—The Presiding Officer of the Board may, with the concurrence of the Board, appoint such staff, including an executive secretary, as the Board requires to carry out its duties.

(3) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Board without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

SEC. 5. APPEAL OF DETERMINATIONS OF CLASSIFICATION AND DECLASSIFICATION REVIEW BOARD.

(a) APPEAL.—Subject to subsection (c), any agency may appeal to the President a decision or other action of the Classification and Declassification Review Board under section 4(c).

(b) DEADLINE.—An agency may appeal a decision or other action under subsection (a) only if the agency submits the appeal to the President not later than 60 days after the date of the decision or other action concerned.

(c) FINALITY.—A decision of the President on an appeal under subsection (a) shall be final.

SEC. 6. PROHIBITIONS.

(a) WITHHOLDING INFORMATION FROM CONGRESS.—Nothing in this Act shall be construed to authorize the withholding of information from Congress.

(b) JUDICIAL REVIEW.—Except in the case of the amendment to section 552 of title 5, United States Code, made by section 2(g), no person may seek or obtain judicial review of any provision of this Act or any action taken under a provision of this Act.

SEC. 7. DEFINITIONS.

In this Act:

(1) The term ''agency'' means any executive agency as defined in section 105 of title 5, United States Code, any military department as defined in section 102 of such title, and any other entity in the Executive Branch of the Government that comes into the possession of classified information.

(2) The terms ''classify'', ''classified'', and ''classification'' refer to the process by which information is determined to require protection from unauthorized disclosure pursuant to this Act in order to protect the national security of the United States.

(3) The terms ''declassify'', ''declassified'', and ''declassification'' refer to the process by which information that has been classified is determined to no longer require protection from unauthorized disclosure pursuant to this Act.

SEC. 8. EFFECTIVE DATE.

This Act and the amendment made by section 2(g) shall take effect 180 days after the date of the enactment of this Act.

Mr. HELMS. Mr. President, I am pleased to join Senator MOYNIHAN today in introducing a bill that would for the first time place in statute the government system for the classification of information. To date this has been accomplished solely through executive order.

The statute is based on the recommendations contained in the report of the Commission to Protect and Reduce Government Secrecy chaired by my colleague PAT MOYNIHAN, the senior senator from New York. The Secrecy Commission achieved a unified report of recommendations—a feat that should not be underrated, especially in Washington. The bill also makes changes based on recommendations by the Government Affairs Committee during its consideration of our legislation during the 105th Congress.

The bill recognizes that over-classification can actually weaken the protections of those secrets that truly are in our national interest. All the same I am obliged to begin with a reiteration of the obvious—that the protection of true national security information remains vital to the well-being and security of the United States. The end of the Cold War notwithstanding, the United States continues to face serious and long-term threats from a variety of fronts. While communist and anti-American regimes, such as North Korea, Cuba, Iran and Iraq, continue to wage a war against the United States, new threats have arisen as well. Indeed, there is even a growing trend of espionage conducted not by our enemies but by American allies. Such espionage is on the rise especially against U.S. economic secrets.

At first blush, a push to reduce government secrecy may seem at odds with these increasing threats. I am convinced it is not. The sheer volume of government ''secrets''—and their costs to the taxpayers and U.S. business—is staggering. In 1996 the taxpayers spent more than $5.2 billion to protect classified information. We know all too well from our own experiences that when everything is secret nothing is secret.

Secrecy all too often then becomes a political tool used by Executive Branch agencies to shield information which may be politically sensitive or policies which may be unpopular with the American people. Worse yet, information may be classified to hide from public view illegal or unethical activity. On numerous occasions, I, and other Members of Congress, have found the Executive Branch to be reluctant to share certain information, the nature of which is not truly a ''national secret,'' but which would potentially politically embarrassing to officials in the Executive Branch or which would make known an illegal or indefensible policy.

I have also found that one of the largest impediments to openness is the perverse incentives of the government bureaucracy itself in favor of classification, and the lack of accountability for those who do the actual classification. I strongly endorse the Commission's recommendation of adding individual accountability to the process by requiring a detailed justification of the decision to classify.

On the other hand, declassification decisions can be politicized. Limited resources for declassification are used to declassify information for political purposes. Only recently, in the case of documents relating to U.S. activities in Central and South America the Administration has made decisions to declassify documents at the request of certain interest groups. As a result the resources for routine declassification are being redirected to serve political ends. This bill would serve to eliminate politicized declassification decisions by requiring routine declassification and oversight by an independent board.

I would add a note of caution regarding declassification, however. In the course of the two years of its work, the Commission became very interested in the declassification of existing documents and materials. In a perfect world, if information remains relevant to true U.S. national interests it should remain classified indefinitely. Information that does not compromise U.S. interests and sources should be made public. We all realize, however, that this is a tremendously costly venture. In fact, the Commission was unable to come up with solid data on the true cost of declassification.

In this era when Congress has finally begun to grasp the essential need to reduce government spending and balance the budget, the issue of balancing costs and benefits is an essential one. The financial costs to the American taxpayers must be balanced against the necessity of the declassification. The real lesson to take from the work of this Commission is the need to redress for the future the problems of over classification and a systematic process for declassification, so that the costs and timeliness of declassification does not pose the same economic and regulatory burdens on future generations. At the same time, it may be too costly to declassify all of the countless classified documents now in existence.

I hope the 106th Congress will complete the work of the 105th Congress and bring government wide rationalization to the classification process. It is an area where tough Congressional oversight is long overdue.

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

S. 23. A bill to promote a new urban agenda, and for other purposes; to the Committee on Finance.

THE NEW URBAN AGENDA ACT OF 1999

Mr. SPECTER. Mr. President, I have sought recognition to introduce legislation that will deal with the plight of our nation's cities and Washington's increasing neglect of them. With 80% of the U.S. population living in metropolitan areas, there is an urgent need to improve our urban economies and the quality of life for the millions of Americans who live and work in cities. By simply making our cities an appealing place to live, work, recreate, and visit, urban areas can rebound to the vibrant economic centers they once were.

There is a common perception that urban areas are abandoned and stripped of their resources, burdened with poverty and crime. However, cities have a wealth of resources available to not only the urban dweller but to the world—cultural centers, business hubs, and some of the finest educational and medical institutions. The real problem is that we do not draw upon these riches or strive to better coordinate them to serve people, most especially those in need.

My proposal, the ''New Urban Agenda Act of 1999'' is based on legislation which I have endeavored to make law since the 103rd Congress. I am pleased to be introducing it today, in this first Congress of the new millennium, with my distinguished colleague from Illinois, Senator DURBIN, who also recognizes the potential of both small cities and large metropolitan areas.

The bill constitutes an effort to give our cities some much-needed attention, but reflects the federal budgetary constraints which govern all that we in Congress do these days. This bill, based in significant part on suggestions by Philadelphia Mayor Edward G. Rendell and the League of Cities, offers aid to the cities while containing federal expenditures and by re-instituting important cost-effective tax breaks which have been discontinued.

If we are to really address many of the very serious social issues that we face—unemployment, teenage pregnancy, welfare dependency, and other pressing issues—we cannot give up on our cities. There must be new strategies for dealing with the problems of urban America. The days of creating ''Great Society'' federal aid programs are clearly past, but that is no excuse for the national government to turn a blind eye to the problems of the cities.

Urban areas remain integral to America's greatness as centers of commerce, industry, education, health care, and culture. Yet urban areas, particularly the inner cities which tend to have a disproportionate share of our nation's poor, also have special needs which must be recognized. We must develop ways of aiding our cities that do not require either new taxes or more government bureaucracy.

As a Philadelphia resident, I have first-hand knowledge of the growing problems that plague our cities. The most recent U.S. Census data collected showed that Philadelphia has over 300,000 individuals in poverty and when federal welfare reform took effect in October 1996, 113,000 adults were receiving some form of cash assistance. Reflecting on my experience as a Philadelphian, I have long supported a variety of programs to assist our cities, such as increased funding for Community Development Block Grants and legislation to establish enterprise and empowerment zones. To encourage similar efforts, in April, 1994, I hosted my Senate Republican colleagues on a visit to explore urban problems in my hometown. We talked with people who wanted to obtain work, but had found few opportunities. We saw a crumbling infrastructure and its impact on residents and businesses. We were reminded of the devastating effect that the loss of inner city businesses and jobs has had on our neighborhoods in America's cities. What my Republican colleagues saw then in Philadelphia is the urban rule across our country and not the exception.

There are many who do not know of city life, who are far removed from the cities and would not be expected to have any key interest in what goes on in the big cities of America. I cite my own boyhood experience illustratively: Born in Wichita, Kansas, raised in Russell, a small town of 5,000 people on the plains of Kansas, where there is not much detailed knowledge of what goes on in Philadelphia, Pennsylvania, or other big cities like Los Angeles, San Francisco, New York, Miami, Pittsburgh, Dallas, Detroit or Chicago.

Those big cities are alien to people in much of America. But there is a growing understanding that the problems of big cities contribute significantly to the general problems affecting our nation and have an economic impact, at the very least, on our small towns. For rural America to prosper, we need to make sure that urban America prospers and vice-versa. For example, if cities had more economic growth, taxes could be reduced on all Americans at the federal and state level because revenues would increase and social welfare spending would be reduced.

There is indeed a domino effect from our cities to rural communities of the country. Lately, we have been witnessing this in the violent behavior of adolescents. School violence and juvenile crime are no longer endemic to urban living. Take the Bloods and the Crips gangs from Los Angeles, California, and similar gangs; that are all over America. They are in Lancaster, Pennsylvania; Des Moines, Iowa; Portland, Oregon; Jackson, Mississippi; Racine, Wisconsin; and Martinsburg, West Virginia. They are literally everywhere, big city and small city alike.

In the U.S. Department of Housing and Urban Development's 1998 report on the ''State of the Cities,'' findings show that large urban schools still deal with a higher concentration of violence, and the data only represents crimes which were serious enough to report to the police. The School District of Philadelphia's most recent report on school violence shows that in the 1994–1995 academic year, students, teachers and administrators were the victims of 2,147 reported criminal incidents, up by almost 100% from the previous year. These included assault, robbery, rape, and students being stabbed or even shot. The school district also reported troubling news about abysmal attendance rates. On any given day, more than one in every four students are absent.

Understandably so, city residents are afraid to continue leading an urban lifestyle. Each day, small business owners question whether they should remain in the city because they fear for the safety of their children, their employees, and ultimately, their businesses. I have personally met and spoken with shop owners in the University City section of Philadelphia who tell me that they look desperately for reasons to stay, but it gets harder and harder.

Joblessness and a less skilled work force are additional problems. To facilitate economic development and job creation in the United States, I supported the Balanced Budget Act of 1995, which contained such provisions as the Job Training Partnership Act and the Targeted Job Tax Credit. As Congress put the final touches on that legislation, I circulated a joint letter from several Senators to then-Majority Leader Dole and Speaker Gingrich recommending spurring job creation and economic growth in our cities through several urban initiatives such as: a targeted capital gains exclusion, commercial revitalization tax credit, historic rehabilitation tax credit, and child care credit. Last year, I introduced the ''Job Preparation and Retention Training Act of 1998,'' which was included in the recently enacted Workforce Development Act of 1998. My legislation authorized funding for States to enroll long-term welfare dependents into a training program which would provide the necessary skills to locate and maintain gainful and unsubsidized employment.

The last census taken in 1990, reported that New York City led the way, with 1.3 million individuals in poverty. My home of Philadelphia had 313,374 individuals in poverty at that time. And in HUD's 1998 ''State of the Cities'' report, by 1996, one in every five urban families lived in poverty, compared with fewer than one in ten suburban families. These facts emphasize the need for more efforts to be focused on strengthening our inner city businesses which, in turn, will boost local economies and serve to provide more jobs, reduce poverty and, hopefully, reduce crime.

I have long supported efforts to encourage the growth of small business. During the 105th Congress, I once again introduced legislation to provide targeted tax incentives for investing in small minority- or women-owned businesses. Small businesses provide the bulk of the jobs in this country. Many minority entrepreneurs, for instance, have told me that they are dedicated to staying in the cities to employ people there, but continue to confront capital access issues. My legislation, the ''Minority and Women Capital Formation Act'' would help to remove the capital access barriers, thereby enabling these entrepreneurs to grow their businesses and payrolls.

Municipal leaders are stressing many of the same concerns that business people are voicing. In a July, 1994 National League of Cities report dealing with poverty and economic development, municipal leaders ranked inadequate skills and education of workers as one of the top three reasons, in addition to shortage of jobs and below-poverty wages, for poverty and joblessness in their cities. They said, according to the survey, that more jobs must be created through local economic development initiatives.

This ''skills deficit'' is highlighted in an urban revitalization plan prepared in 1991 by the National Urban League called ''Playing to Win: A Marshall Plan for America's Cities.'' The report cites a statistic by the Commission on Achieving Necessary Skills which showed that 60 percent of all 21–25 year-olds lack the basic reading and writing skills needed for the modern workplace, and only 10 percent of those in that age group have enough mathematical competence for today's jobs. The economic problems our cities are facing are not easy to deal with or answer. In a report by the National League of Cities entitled ''City Fiscal Conditions in 1996,'' municipal officials from 381 cities answered questions on the economic state of their cities. In response to state budgetary problems, 21.7 percent of responding cities reduced municipal employment and 18.5 percent had frozen municipal employment. Nearly six out of ten cities raised or imposed new taxes or user fees during the past twelve months.

These numbers are of concern to me and I believe they highlight the need for federal legislation to enhance the ability of cities to achieve competitive economic status. An added concern is that city managers are forced to balance cuts in services or enact higher taxes. Neither choice is easy and it often counteracts municipal efforts to retain residents or businesses.

One issue, in particular, that is hurting many cities is the erosion of their tax bases, evidenced particularly by middle-class flight to the suburbs. Mr. Ronald Walters, professor of Political Science at Howard University, in testimony before the Senate Banking Committee in April 1993, stated that in 1950, 23 percent of the American population lived outside central cities; by 1988, that number was up to 46 percent. The District of Columbia's population loss is among the worst in the nation, with a quarter of its population relocating since the 1970s. This trend of shrinking urban populations gives no sign of ceasing. Middle-class families continue to leave for the suburbs where there are typically better public services.

These losses are devastating, not only to the financial stability of the city, but to the social fabric as well. On the financial side, statistics show that those people fleeing cities were earning an average of $30,000 to $75,000 a year. On the social side, roughly half of these are African-American Middle-class families. By losing this critical demographic group, the city loses much of what makes it strong. As America's cities struggle with the exodus of residents, businesses and industry, city residents who remain are faced with problems ranging from increased tax burdens and lesser services to dwindling economic opportunities, leading to welfare dependence and unemployment assistance. In the face of all this, what do we do?

The federal government has attempted to revitalize our ailing urban infrastructure by providing federal funding for transit and sewer systems, roads and bridges. I have supported this. For example, as a member of the Transportation Appropriations Subcommittee and as co-chair of an informal Senate Transit Coalition, I have been a strong supporter of public transit which provides critically needed transportation services in urban areas. Transit helps cities meet clean air standards, reduce traffic congestion, and allows disadvantaged persons access to jobs. Federal assistance for urban areas, however, has become increasingly scarce as we grapple with the nation's deficit and debt. Therefore, we must find alternatives to reinvigorate our nation's cities so they can once again be economically productive areas providing promising opportunities for residents and neighboring areas. To address the need for reliable transportation systems in our nation's cities and to provide access to jobs for city residents, I introduced reverse commute and jobs access legislation, which was successfully included in last year's highway and transit reauthorization bill. The bill authorizes $400 million over the next five years in access-to-jobs transit grants targeted at low-income individuals. Up to $10 million per year can be used for reverse commute projects to move individuals from cities to suburban job centers.

In addition to support for infrastructure, I believe there are ways Congress can assist the cities. In 1994, Mayor Rendell came up with a legislative package which contains many good ideas. I have taken many of these suggestions and have since added and revised provisions to take into account new developments at the federal, state and local levels to create the ''New Urban Agenda Act of 1999.''

First, recognizing that the federal government is the nation's largest purchaser of goods and services, this legislation would require that no less than 15 percent of federal government purchases are made from businesses and industries within designated urban Empowerment Zones and Enterprise Communities. Similarly, my bill would require that not less than 15 percent of foreign aid funds be redeemed through purchases of products manufactured in urban Empowerment Zones and Enterprise Communities. The General Services Administration will be required to submit to Congress its assessment of the extent to which federal agencies are committed to this policy and in general, economic revitalization in distressed urban areas.

The second major provision of this bill would commit the federal government to play an active role in restoring the economic health of our cities by encouraging the location, or relocation, of federal facilities in urban areas. To accomplish this, all federal agencies would be required to prepare and submit to the President an Urban Impact Statement detailing the impact that relocation or downsizing decisions would have on the affected city. Presidential approval would be required to place a federal facility outside an urban area, or to downsize a city-based agency.

The third critical component of this bill would revive and expand federal tax incentives that were eliminated or restricted in the Tax Reform Act of 1986. Until there is passage of legislation on the flat tax, which would provide benefits superior to all targeted tax breaks, I believe America's cities should have the advantages of such tax benefits. These provisions offer meaningful incentives to business to invest in our cities. I am calling for the restoration of the Historic Rehabilitation Tax Credit which supports inner city revitalization projects. According to information provided by Mayor Rendell, there were 8,640 construction jobs involved in 356 projects in Philadelphia from 1978 to 1985 stimulated by the Historic Rehabilitation Tax Credit. In Chicago, 302 projects prior to 1985 generated $524 million in investment and created 20,695 jobs. In St. Louis, 849 projects generated $653 million in investment and created 27,735 jobs.

Nationally, according to National Park Service estimates for the 16 years before the 1986 Act, the Historic Rehabilitation Tax Credit stimulated $16 billion in private investment for the rehabilitation of 24,656 buildings and the creation of 125,306 homes which included 23,377 low and moderate income housing units. The 1986 Tax Act dramatically reduced the pool of private investment capital available for rehabilitation projects. In Philadelphia, projects dropped from 356 to 11 by 1988 from 1985 levels. During the same period, investments dropped 46 percent in Illinois and 92 percent in St. Louis.

Another tool is to expand the authorization of commercial industrial development bonds. Under the Tax Reform Act of 1986, authorization for commercial industrial bonds was permitted to expire. Consequently, private investment in cities declined. For instance, according to Mayor Rendell, from 1986—the last year commercial development bonds were permitted—to 1987, the total number of city—supported projects in Philadelphia was reduced by more than half.

Industrial development or private activity bonds encourage private investment by allowing, under certain circumstances, tax-exempt status for projects where more than 10 percent of the bond proceeds are used for private business purposes. The availability of tax-exempt commercial industrial development bonds will encourage private investment in cities, particularly the construction of sports, convention and trade show facilities; free standing parking facilities owned and operated by the private sector; air and water pollution facilities owned and operated by the private sector; and, industrial parks.

The bill I am introducing would allow this. It would also increase the small issue exemption, which means a way to help finance private activity in the building of manufacturing facilities from $10 million to $50 million to allow increased private investment in our cities.

A minor change in the federal tax code related to arbitrage rebates on municipal bond interest earnings could also free additional capital for infrastructure and economic development by cities. Currently, municipalities are required to rebate to the federal government any arbitrage—a financial term meaning interest earned in excess of interest paid on the debt—earned from the issuance of tax-free municipal bonds. I am informed that compliance, or the cost for consultants to perform the complicated rebate calculations, is actually costing municipalities more than the actual rebate owed to the government. This bill would allow cities to keep the arbitrage earned so that they can use it to fund city projects and for other necessary purposes.

My legislation also provides important incentives for businesses to invest and locate in our nation's cities. Specifically, the bill includes a provision which I have advocated to provide a 50 percent exclusion for capital gains tax purposes for any gain resulting from targeted investments in small businesses located in urban empowerment zones, enterprise communities, or enterprise zones. I also want to note that the exclusion would extend to any venture funds that invest in those small

businesses, which is critical because venture funds are often the lifeblood of a small business. This is one of the incentives I recommended to Senator Dole in December 1995 for inclusion in the Balanced Budget Act of 1995 which was later vetoed by President Clinton. A targeted capital gains exclusion will serve as a catalyst for job creation and economic growth in our cities by encouraging additional private investment in our urban areas.

A fourth provision of this legislation provides needed reforms to regulations and the financial challenges to obtaining affordable housing. This legislation provides language to study streamlining federal housing program assistance to urban areas into a block grant form so that municipal agencies can better serve local residents. Safe, clean, and affordable housing is not widely available to most low income families. According to the National Housing Law Project, in 1996, only one in four families was eligible to receive HUD assistance, with waits of up to five years. In HUD's most recent annual report, just as many families are still struggling with the lack of affordable housing as they were when a record 5.3 million low-income renters were paying more than 50 percent of their income for rent between 1993 and 1995. This provision of the bill steers the Secretary of Housing and Urban Development to take a hard look at these conditions and determine what works and what does not work in federally-subsidized housing and to consider alternatives that will provide suitable homes for America's families.

I believe that we as a nation should work toward providing individuals and their families with more opportunities for homeownership which stabilizes a community and would especially restore our cities. Urban homeownership including middle-income homeownership lags behind the suburbs. According to the Harvard University Joint Center for Housing Studies, city residents of all income levels are less likely to own a home than suburban residents with similar incomes. I hear time and time again from families starting out that they move out to the suburbs for better schools, because central cities lack the property tax base to provide for quality schools. Homeownership is key to saving our cities, both socially and economically. A 1998 Fannie Mae national housing survey indicated that even though homeownership rates continue to increase in the late 1990s, six in every ten renters said that buying a home is a very important priority, if not their number-one priority in life. Yet for so many families financial barriers make that dream unattainable. That is why my bill includes a tax credit to restore the American dream of homeownership. A tax credit could be used by income-eligible individuals and families to purchase homes in distressed areas. In the 1997 Taxpayer Relief Act, Congress approved such a tax credit for homebuyers in the District of Columbia. While single family home sales can be attributed to a multitude of factors, such as historically low interest rates and a strong economy, let me just share with you some amazing statistics related to homeownership since enactment of the tax credit in the District of Columbia. The Home Purchase Assistance Program through the District of Columbia's Office of Housing and Community Development helped 410 families purchase homes. Further, a group called the ''Washington Partners for Homeownership,'' a collaboration of realtors, banks, community and faith-based organizations, set a goal last year to create 1,000 new homeowners in the District of Columbia for each of the next three years. Remarkably, the Washington Partners have already reached that goal before the end of the first year. I believe that this country will reap extraordinary benefits if we expand such a credit on a national basis, as I propose in the ''New Urban Agenda Act of 1999.''

I believe that the revitalization of cities will require social and economic facets, but it is also imperative that our cities are safe and clean. This last component of my bill helps urban areas to address their unique environmental challenges and reforms Superfund law. First, the legislation authorizes a federal brownfields program to help clean up idle or underused industrial and commercial facilities and waives federal liability for persons who fully comply with a state cleanup plan to clean sites in urban areas pursuant to state law, provided that the site is not listed or proposed to be listed on the National Priorities List. The Environmental Protection Agency currently operates this pilot program under general authority provided by the Superfund law.

My legislation would make this a permanent program and substantially increase the funding levels to a $50 million authorized level for Fiscal Year 2000. The EPA could expend funds to identify and examine potential idle or underused Brownfield sites and to provide grants to States and local governments of up to $200,000 per site to put them back to productive use. One such grant has been used to great success by Pittsburgh Mayor Tom Murphy, and I hope this provision will generate additional success stories of redeveloping urban brownfields.

The Brownfields Program allows sites with minor levels of toxic waste to be cleaned up by State and local governments with federal and other funding sources. Companies and individuals who are interested in developing land into industrial, commercial, recreational, or residential use are often reluctant to purchase property with any level of toxic waste because of a fear of being saddled with cleanup liability under the Superfund law. Through expanded Brownfields grants, cleanup at such sites will be expedited and will encourage redevelopment of otherwise unusable urban property.

My bill would also waive federal liability for persons who fully comply with a state cleanup plan to clean sites in urban areas pursuant to state law, providing that the site is not listed or proposed to be listed on the National Priorities List. Many states, including Pennsylvania, have developed their own toxic waste cleanup programs and have done good work to clean up many of these sites. Pennsylvania Governor Tom Ridge has developed an extensive plan, where contaminated sites are made safe based on sound science by returning the site to productive use through the development of uniform cleanup standards, by creating a set of standardized review procedures, by releasing owners and developers from liability who fully comply with the state cleanup standards and procedures, and by providing financial assistance. However, the efforts of states like Pennsylvania are often stifled because the federal government has not been willing to work with the States to release owners and developers from liability, even when they fully comply with the state plans.

This section of my bill only applies to sites that are not on the National Priorities List. These are sites that the state has identified for which the state has created a comprehensive cleanup plan. If the federal government has concerns with the cleanup procedure or the safety of the site, then the government has full authority to place that site on the National Priority List. The plans, like that developed by Governor Ridge, deal with sites not controlled by the Superfund law. By not allowing the individual states to take the initiative to clean up these sites, and by not providing a waiver for federal liability to those who fully comply with the procedures and standards of the state cleanup, the federal government impedes the efforts of the states to work to clean up their own sites. This provision takes a significant step toward encouraging states to take the responsibility for their toxic waste sites and to encourage the effective cleanup of these sites in our nation's urban areas.

The final environmental provision calls for the reauthorization of an existing federal program, which has served cities across the nation very well, but has not been authorized since 1995 and has also been unable to meet the demand for an ''urban greening effort.'' The Urban and Community Forestry Assistance Program through the U.S. Department of Agriculture provides financial and technical assistance to urban areas to help establish and maintain community parkland and forests in our nation's 45,000 towns and cities. The number of requests for federal assistance and grants exceeds the capacity of the existing Urban and Community Forestry program by eight times. The number of communities assisted through the Urban and Community Forestry Assistance Program has grown from 7,548 in Fiscal Year 1992 to 11,675 in Fiscal Year 1997, a 56% increase in five years. An enhanced Urban and Community Forestry Program will enable cities to put vacant

areas and abandoned structures back into use. There are more than 15,000 vacant lots in Pennsylvania, which as we know, pose serious health and safety risks, detract commercial investments, reduce property values, and cost municipalities hundreds of millions of dollars in maintenance and lost revenue. The Urban and Community Forestry Program has been very successful due to its flexible design and emphasis on local creativity. In fact, the program has allowed for benefits that go beyond revenue and other economic gains. Many of the formerly broken down concrete lots are now green and welcoming to the community have provided children and their parents with a safe haven for recreation outside the home. Some city public schools have even begun to use these areas as their ''science parks'' for after-school and weekend educational activities.

Mr. President, I realize that this is an initial step to reinvesting in our cities. Nevertheless, it is time to take a comprehensive approach to reversing urban decay, which is what I believe my bill can accomplish. It may well be that America has given up on its cities. That is a stark statement, but it is one which I believe may be true—that America has given up on its cities. But this Senator has not done so. And I believe there are others in this body on both sides of the aisle who have not done so and I invite the input and assistance of my colleagues in order to fashion a strong plan of action to help cities to face their pressing problems.

As one of a handful of United States Senators who lives in a big city, I understand both the problems and the promise of urban America. This legislation for our cities is good public policy. The plight of our cities must be of extreme concern to America. We can illafford for them to wither and die. I am committed to a new urban agenda that relies on market forces, and not a welfare state, for urban revitalization.

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

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

NEW URBAN AGENDA ACT OF 1999—SUMMARY

TITLE I—PROMOTE URBAN ECONOMIC DEVELOPMENT

Requires a portion of federal and foreign aid purchases (not less than 15 percent) to be from businesses operating in urban zones, and commits the government to purchase recycled products from businesses operating in urban zones.

Requires an urban impact statement, with Presidential approval, that details the impact on cities of agency downsizing or relocation. Under the bill, a ''distressed urban area'' follows HUD's definition, namely any city having a population of more than 100,000.

TITLE II—TAX INCENTIVES TO STIMULATE URBAN ECONOMIC DEVELOPMENT

Expands the Historic Rehabilitation Tax Credit which was reduced in 1986. It would restore the issuance of tax-free industrial development bonds and would allow cities to keep the arbitrage earned from the issuance of tax-free municipal bonds. Currently, local governments are required to rebate to the federal government arbitrage earned from the issuance of tax-free municipal bonds, and often spend more on compliance than on the actual rebate.

To encourage businesses to invest and locate in our nation's cities, provides a 50 percent exclusion for capital gains tax purposes for any gain resulting from targeted investments in small businesses located in urban empowerment zones, enterprise communities, or enterprise zones. The exclusion also extends to any venture that invest in those small businesses.

TITLE III—COMMUNITY-BASED HOUSING DEVELOPMENT

Lifts Federal restrictions on community-based housing development.

To boost the efficiency of regional housing authorities, a study would be done to streamline current and future housing programs into ''block grants.''

Provides a tax credit to encourage the purchase and ownership of homes in distressed urban areas.

TITLE IV—RESPONSE TO URBAN ENVIRONMENTAL CHALLENGES

Reforms Superfund law to encourage industrial cleanup. Authorizes an expanded federal brownfields grant program to help clean up idle or underused industrial and commercial facilities. Also provides regulatory relief by waiving federal liability for businesses and individuals that fully comply with a state cleanup plan to clean sites in urban areas pursuant to state law, provided that the site is not listed or proposed to be listed on the National Priorities List.

Reauthorizes the Urban and Community Forestry Assistance Program to provide cities with the financial and technical assistance necessary to revitalize abandoned, heavily littered and demolished lands.

By Mr. SPECTER:

S. 24. A bill to provide improved access to health care, enhance informed individual choice regarding health care services, lower health care costs through the use of appropriate providers, improve the quality of health care, improve access to long term care, and for other purposes; to the Committee on Finance.

THE HEALTH CARE ASSURANCE ACT OF 1999

Mr. SPECTER. Mr. President, as the 106th Congress commences, those of us in the Senate and the House have a new opportunity to make a real difference in the lives of the American people. It is a chance for us to learn from the past, determine how best to respond to the challenges that are before us, and forge important alliances which will enable us to pass legislation that is important to this nation. I believe it is clear that one of our first priorities must be additional incremental reforms of our health care system.

Mr. President, there is no time to waste. Many of our nation's health care problems are getting worse, not better. In its December 1998 report, the Employee Benefit Research Institute (EBRI) analyzed the March 1998 Current Population Survey, a document generated yearly by the U.S. Census Bureau. EBRI's analysis tells us that in 1997, about 193 million working-age Americans derived their health insurance coverage as follows: approximately 64.2 percent from employer plans; 13.0 percent from Medicare and Medicaid within a total of 14.8 percent from public sources of coverage; and 6.7 percent from other private insurance. This survey also details another troubling statistic: 43.1 million Americans, or 18.3 percent of Americans aged 18–64, were uninsured. This reflects an increase of 7 percent, or 2.8 million uninsured working-age people, since 1995. Among the elderly, the outlook is a bit brighter, with only 1 percent uninsured, and 96.4 percent deriving coverage from public sources.

As I have said many times, we can fix the problems felt by this growing number of uninsured Americans without resorting to big government and without completely overhauling our current system, one that works well for most Americans—serving 81.7 percent of our non-elderly citizens. We must enact reforms that improve upon our current market-based health care system, as it is clearly the best health care system in the world.

Accordingly, today I am introducing the Health Care Assurance Act of 1999, which, if enacted, will take us further down the path of the incremental reforms started by the Health Insurance Portability and Accountability Act of 1996 (Kassebaum-Kennedy) and various health care provisions enacted during the 105th Congress. I would note that the final version of Kassebaum-Kennedy contained many elements which were in S. 18, the incremental health care reform bill I introduced when the 104th Congress began on January 4, 1995.

I would note that the bill I am introducing today is distinct from my recent efforts regarding managed care reform. During the 105th Congress, I joined a bipartisan group of Senators to introduce the Promoting Responsible Managed Care Act of 1998, a balanced proposal which would ensure that patients receive the benefits and services to which they are entitled, without compromising the savings and coordination of care that can be achieved through managed care. I look forward to working again with my colleagues to enact responsible managed care legislation.

The Health Care Assurance Act of 1999 is intended to initiate and stimulate new discussion, so we may move the health care reform debate forward. I welcome any suggestions my colleagues may have concerning how this bill can be improved, as long as such suggestions are consistent with the incremental approach to reform that has proven to be the only way to achieve successful health care reform.

Given the importance of enacting this type of legislation, it is worth reviewing recent history which has taught us that bipartisanship is crucial in accomplishing these goals for the American people. In particular, the debate over President Clinton's Health Security Act during the 103rd Congress

is replete with lessons concerning the pitfalls and obstacles that inevitably lead to legislative failure. Several times during the 103rd Congress, I spoke on the Senate floor to address what seemed to be the wisest course—to pass incremental health care reforms with which we could all agree. Unfortunately, what seemed obvious to me, based on comments and suggestions by a majority of Senators who favored a moderate approach, was not obvious at the time to the Senate's Democratic leadership.

This failure to understand the merits of an incremental approach was demonstrated during April 1993 during my attempts to offer a health care reform amendment based on the text of S. 631, an incremental reform bill I had introduced earlier in the session. This bill incorporated moderate, consensus principles in a reasonable reform package. First, I attempted to offer the bill as an amendment to legislation dealing with debt ceilings. Subsequently, I was informed that the consideration of this bill would be structured in a way that precluded my offering an amendment. Therefore, I prepared to offer my health care bill as an amendment to the fiscal year 1993 Emergency Supplemental Appropriations bill. To my dismay, Senator Mitchell, then Majority Leader, and Senator BYRD, then Chairman of the Appropriations Committee, worked together to ensure that I could not offer my amendment by keeping the Senate in a quorum call, a parliamentary tactic used to delay and obstruct. I was unable to obtain unanimous consent to end the quorum call, and thus could not proceed with my amendment.

Three years later, well after the behemoth Clinton health care reform bill was derailed, the Senate once again endured a lengthy political battle concerning the Kassebaum-Kennedy bill, which I was pleased to cosponsor. We achieved a breakthrough in August 1996, when enough Senators sensed the growing frustration of the American people to finally pass Kassebaum-Kennedy and its vital health insurance market reforms, such as increased portability of health insurance coverage. There is no question that Kassebaum-Kennedy made significant steps forward in addressing troubling issues in health care, although I recognize that there is much more to be done. The bill's incremental approach to health care reform is what allowed it to generate bipartisan, consensus support in the Senate. We knew that it did not address every single problem in the health care delivery system, but it would make life better for millions of American men, women, and children.

In retrospect, I urge my colleagues to note a most important fact—the Kassebaum-Kennedy bill was enacted only after Democrats abandoned their hopes for passing a nationalized, big government health care scheme, and Republicans abandoned their position that access to health care is not really a major problem in the United States which demands Federal action.

Perhaps the greatest recent example of the power of bipartisanship took place during the 105th Congress, with the passage of the Balanced Budget Act of 1997. This historic bipartisan agreement between Congress and the White House to balance the budget by 2002 extended the life of the vital Medicare hospital trust fund by ten years, while expanding needed benefits for seniors. The new law created a National Bipartisan Commission on the Future of Medicare to address the implications of the retirement of the Baby Boom generation, and marked the first balanced Federal budget in thirty years. This landmark accomplishment clearly would not have occurred without all members of Congress and the Administration crossing party lines, compromising, and doing what was right for the American people regardless of political affiliations.

We must realize that if we are to continue to be successful in meeting the nation's health care needs, the solutions to the system's problems must come from the political center, not from the extremes.

I have advocated health care reform in one form or another throughout my 18 years in the Senate. My strong interest in health care dates back to my first term, when I sponsored S. 811, the Health Care for Displaced Workers Act of 1983, and S. 2051, the Health Care Cost Containment Act of 1983, which would have granted a limited antitrust exemption to health insurers, permitting them to engage in certain joint activities such as acquiring or processing information, and collecting and distributing insurance claims for health care services aimed at curtailing then escalating health care costs. In 1985, I introduced the Community Based Disease Prevention and Health Promotion Projects Act of 1985, S. 1873, directed at reducing the human tragedy of low birth weight babies and infant mortality. Since 1983, I have introduced and cosponsored numerous other bills concerning health care in our country. A complete list of the 26 health care bills that I have sponsored since 1983 is included for the RECORD.

During the 102nd Congress, I pressed the Senate to take action on this issue. On July 29, 1992, I offered a health care amendment to legislation then pending on the Senate floor. This amendment included provisions from legislation introduced by Senator CHAFEE, which I cosponsored and which was previously proposed by Senators Bentsen and Durenberger. The amendment included a change from 25 percent to 100 percent deductibility for health insurance purchased by self-employed persons, and small business insurance market reforms to make health coverage more affordable for small businesses. When then-Majority Leader George Mitchell argued that the health care amendment I was proposing did not belong on that bill, I offered to withdraw the amendment if he would set a date certain to take up health care, just as product liability legislation had been placed on the calendar for September 8, 1992. The Majority Leader rejected that suggestion and the Senate did not consider comprehensive health care legislation during the balance of the 102nd Congress. My July 29, 1992 amendment was defeated on a procedural motion by a vote of 35 to 60, along party lines.

The substance of that amendment, however, was adopted later by the Senate on September 23, 1992 when it was included in an amendment to broader tax legislation (H.R. 11), offered by Senators Bentsen and Durenberger and which I cosponsored. This amendment, which included essentially the same self-employed tax deductibility and small group reforms that I had proposed on July 29th of that year, passed the Senate by voice vote. Unfortunately, these provisions were later dropped from H.R. 11 in the House-Senate conference.

On August 12, 1992, I introduced legislation entitled the Health Care Affordability and Quality Improvement Act of 1992, S. 3176, that would have enhanced informed individual choice regarding health care services by providing certain information to health care recipients, would have lowered the cost of health care through use of the most appropriate provider, and would have improved the quality of health care.

On January 21, 1993, the first day of the 103rd Congress, I introduced the Comprehensive Health Care Act of 1993, S. 18. This legislation was comprised of reforms that our health care system could have adopted immediately. These initiatives would have both improved access and affordability of insurance coverage and would have implemented systemic changes to lower the escalating cost of care in this country. S. 18 is the principal basis of the legislation I introduced in the 104th (S. 18) and 105th Congresses (S. 24), and the Health Care Assurance Act of 1999, which I am introducing today.

On March 23, 1993, I introduced the Comprehensive Access and Affordability Health Care Act of 1993, S. 631, which was a composite of health care legislation introduced by Senators Cohen, Kassebaum, BOND, and MCCAIN, and included pieces of my bill, S. 18. I introduced this legislation in an attempt to move ahead on the consideration of health care legislation and provide a starting point for debate. As I noted earlier, I was precluded by Majority Leader Mitchell from obtaining Senate consideration of my legislation as a floor amendment on several occasions. Finally, on April 28, 1993, I offered the text of S. 631 as an amendment to the pending Department of Environment Act (S. 171) in an attempt to urge the Senate to act on health care reform. My amendment was defeated 65 to 33 on a procedural motion, but the Senate had finally been forced to contemplate action on health care reform.

On the first day of the 104th Congress, January 4, 1995, I introduced a

slightly modified version of S. 18, the Health Care Assurance Act of 1995 (also S. 18), which contained provisions similar to those ultimately enacted in the Kassebaum-Kennedy legislation, including insurance market reforms, an extension of the tax deductibility of health insurance for the self employed, and deductibility of long term care insurance for employers.

I continued these efforts in the 105th Congress, with the introduction of Health Care Assurance Act of 1997 (S. 24), which included market reforms similar to my previous proposals with the addition of a new Title I, an innovative program to provide vouchers to States to cover children who lack health insurance coverage. I also introduced Title I of this legislation as a stand-alone bill, the Healthy Children's Pilot Program of 1997 (S. 435) on March 13, 1997. This proposal targeted the approximately 4.2 million children of the working poor who lacked health insurance. These are children whose parents earn too much to be eligible for Medicaid, but do not earn enough to afford private health care coverage for their families. This legislation would have established a $10 billion/5 year discretionary pilot program to cover these uninsured children by providing grants to States. Modeled after Pennsylvania's extraordinarily successful Caring and BlueCHIP programs, this legislation was the first Republican-sponsored child health insurance bill during the 105th Congress.

I was encouraged that the Balanced Budget Act of 1997, signed into law on August 5, 1997, included a combination of the best provisions from many of child health insurance proposals throughout this Congress. The new legislation allocated $24 billion for the next five years to establish State Child Health Insurance Programs, funded in part by a slight increase in the cigarette tax. The bill I am introducing today, the Health Care Assurance Act of 1999, would further augment this new State Child Health Insurance Program and would enable States to cover even more children, and includes new provisions to assist individuals with disabilities to maintain quality health care coverage.

My commitment to the issue of health care reform across all populations has been consistently evident during my tenure in the Senate, as I have taken to this floor and offered health care reform bills and amendments on countless occasions. I will continue to urge the Senate to address this vital issue and to stress the importance of the Federal government's investment in and attention to the system's future.

As my colleagues are aware, I can personally report on the miracles of modern medicine. Five years ago, an MRI detected a benign tumor (meningioma) at the outer edge of my brain. It was removed by conventional surgery, with five days of hospitalization and five more weeks of recuperation.

When a small regrowth was detected by a follow-up MRI in June 1996, it was treated with high powered radiation from the ''Gamma Knife.'' I entered the hospital in the morning of October 11, 1996, and left the same afternoon, ready to resume my regular schedule. Like the MRI, the Gamma Knife is a recent invention, coming into widespread use in the past decade.

In July 1998, I was pleased to return to the Senate after a relatively brief period of convalescence following heart bypass surgery. This experience again led me to marvel at our health care system and made me more determined than ever to support Federal funding for biomedical research and to support legislation which will incrementally make health care available to all Americans.

My concern about health care has long pre-dated my own personal benefits from the MRI and other diagnostic and curative procedures. As I have previously discussed, my concern about health care began many years ago and been intensified by my service on the Appropriations Subcommittee on Labor, Health and Human Services, and Education, which I now have the honor to chair.

My own experience as a patient has given me deeper insights into the American health care system beyond my perspective from the U.S. Senate. I have learned: (1) our health care system, the best in the world, is worth every cent we pay for it; (2) patients sometimes have to press their own cases beyond the doctors' standard advice; (3) greater flexibility must be provided on testing and treatment; (4) our system has the resources to treat the 43.1 million Americans currently uninsured, but we must find the way to pay for it; and (5) all Americans deserve the access to health care from which I and others with coverage have benefitted.

I have long been convinced that our Federal budget of $1,700,000,000,000, could provide sufficient funding for America's needs if we establish our real priorities. The real question has been whether we have enough doctors, hospitals, medical personnel, etc. to take care of Americans in need of medical attention. I am convinced that we do. The part which has yet to be accomplished is to work out the financing for the delivery of such health care. As specified in the legislation which I have introduced, I am convinced that sufficient savings are possible within the current system to provide health care for all Americans within the current expenditures.

I share the American people's frustration with government and their desire to have their problems addressed. Over the past six years, I believe we have learned a great deal about our health care system and what the American people are willing to accept from the Federal government. The message we heard loudest was that Americans did not want a massive overhaul of the health care system. Instead, our constituents want Congress to proceed more slowly and to target what isn't working in the health care system while leaving in place what is working.

As I have said both publicly and privately, I am willing to cooperate with the Administration in solving the health care problems facing our country. However, in the past I have found many important areas where I differed with President Clinton's approach to solutions and I did so because I believed that the proposals would have been deleterious to my fellow Pennsylvanians, to the American people, and to our health care system. Most important, I did not support creating a large new government bureaucracy because I believe that savings should go to health care services and not bureaucracies.

On this latter issue, I first became concerned about the potential growth in bureaucracy in September 1993 after reading the President's 239-page preliminary health care reform proposal. I was surprised by the number of new boards, agencies, and commissions, so I asked my legislative assistant, Sharon Helfant, to make me a list of all of them. Instead, she decided to make a chart. The initial chart depicted 77 new entities and 54 existing entities with new or additional responsibilities.

When the President's 1,342-page Health Security Act was transmitted to Congress on October 27, 1993, my staff reviewed it and found an increase to 105 new agencies, boards, and commissions and 47 existing departments, programs and agencies with new or expanded jobs. This chart received national attention after being used by Senator Bob Dole in his response to the President's State of the Union address on January 24, 1994.

The response to the chart was tremendous, with more than 12,000 people from across the country contacting my office for a copy; I still receive requests for the chart. Groups and associations, such as United We Stand America, the American Small Business Association, the National Federation of Republican Women, and the Christian Coalition, reprinted the chart in their publications—amounting to hundreds of thousands more in distribution. Bob Woodward of the Washington Post later stated that he thought the chart was the single biggest factor contributing to the demise of the Clinton health care plan. And, as recently as the November 1996 election, my chart was used by Senator Dole in his presidential campaign to illustrate the need for incremental health care reform as opposed to a big government solution.

With the history of the health care reform debate in mind, I have drafted an incremental bill which would provide quality health care without adversely affecting the many positive aspects of our health care system, which works for 81.7 percent of working-age Americans. It is more prudent to implement targeted reforms and then act later to improve upon what we have

done. I call this trial and modification. We must be careful not to damage the positive aspects of our health care system upon which more than 193 million Americans justifiably rely.

The legislation I am introducing today has three objectives: (1) to provide affordable health insurance for the 43.1 million working-age Americans now not covered; (2) to reduce health care costs for all Americans; and (3) to improve coverage for underinsured individuals, families, and children. This legislation is comprised of initiatives that our health care system can readily adopt in order to meet these objectives, and it does not create an enormous new bureaucracy to meet them.

This bill includes provisions to encourage the formation of small group purchasing arrangements, to expand access to health insurance for children, to improve health coverage for individuals with disabilities, to strengthen preventive health benefits under the Medicare program, to increase access to prenatal care and outreach for the prevention of low birth weight babies, to facilitate the implementation of patients' rights regarding medical care at the end of life, to improve health education, to place greater emphasis on and to expand access to primary and preventive health services, to utilize non-physician providers, to reform the COBRA law to extend the time period for employees who leave their jobs to maintain their health benefits until alternative coverage becomes available, to increase the availability and use of consumer information and outcomes research, and to establish a national fund for health research within the Department of Treasury.

Taken together, I believe the reforms proposed in the Health Care Assurance Act of 1999 will both improve the quality of health care delivery and will bring down the escalating costs of health care in this country. These initiatives represent a blueprint which can be modified, improved and expanded. In total, I believe this bill can significantly reduce the number of uninsured Americans, improve the affordability of care, ensure the portability and security of coverage between jobs, and yield cost savings of billions of dollars to the Federal Government, which can be used to cover the remaining uninsured and underinsured Americans.

TITLE I

As I mentioned previously, Title I of the bill builds on the State Child Health Insurance Program (S-CHIP), the new program established in the Balanced Budget Act of 1997, which allocated $24 billion/five years to increase health insurance coverage for children. The S-CHIP program gives States the option to use federally funded grants to provide vouchers to eligible families to purchase health insurance for their children, or to expand Medicaid coverage for those uninsured children, or a combination of both. This title would increase the income eligibility to families with incomes at or below 235 percent of the Federal poverty level ($38,658 annually for a family of four), and would strengthen the States' ability to conduct Medicaid outreach to eligible children. The S-CHIP program anticipates enrolling 2.3 million uninsured children by the end of 2000. This provision would allow eligibility for approximately another 876,000 uninsured children, representing a 38 percent increase over current law.

TITLE II

Title II assists another of our Nation's most vulnerable populations, persons with disabilities. This title would expand health services for disabled individuals in two ways. Currently, disabled individuals, or recipients of Social Security Disability Income (SSDI), may receive health insurance coverage under the Medicare program for a short time after returning to work. One provision of my bill would extend to 24 months the period during which the individual may continue to receive Medicare benefits after returning to work, and allow the individual to purchase Medicare coverage at a reduced rate, subject to yearly review.

In an effort to improve the delivery of care and the comfort of those with long-term disabilities, the second provision would allow for reimbursement for community-based attendant care services, instead of institutionalization, for eligible individuals who require such services based on functional need, without regard to the individual's age or the nature of the disability. The most recent data available tell us that 5.9 million individuals receive care for disabilities under the Medicaid program. The number of disabled who are not currently enrolled in the program who would apply for this improved benefit is not easily counted, but would likely be substantial given the preference of home and community-based care over institutional care.

TITLE III

The next title contains provisions to make it easier for small businesses to buy health insurance for their workers by establishing voluntary purchasing groups. It also obligates employers to offer, but not pay for, at least two health insurance plans that protect individual freedom of choice and that meet a standard minimum benefits package. It extends COBRA benefits and coverage options to provide portability and security of affordable coverage between jobs.

Specifically, Title III extends the COBRA benefit option from 18 months to 24 months. COBRA refers to a measure which was enacted in 1985 as part of the Consolidated Omnibus Budget Reconciliation Act (COBRA '85) to allow employees who leave their job, either through a lay-off or by choice, to continue receiving their health care benefits by paying the full cost of such coverage. By extending this option, such unemployed persons will have enhanced coverage options.

In addition, options under COBRA are expanded to include plans with lower premiums and higher deductibles of either $1,000 or $3,000. This provision is incorporated from legislation introduced in the 103rd Congress by Senator PHIL GRAMM and will provide an extra cushion of coverage options for people in transition. According to Senator GRAMM, with these options, the typical monthly premium paid for a family of four would drop by as much as 20 percent when switching to a $1,000 deductible and as much as 52 percent when switching to a $3,000 deductible.

This year I have also included a provision which would extend to 36 months the time period for COBRA coverage for a child who is no longer a dependent under a parent's health insurance policy. Again, EBRI statistics indicate that young adults between the ages of 18 and 24 are more likely than any other age to be uninsured; 30.1% were without coverage in 1997. This provision would allow those who are no longer dependents on their parents' plan to have a more secure safety net.

With respect to the uninsured and underinsured, my bill would permit individuals and families to purchase guaranteed, comprehensive health coverage through purchasing groups. Health insurance plans offered through the purchasing groups would be required to meet basic, comprehensive standards with respect to benefits. Such benefits must include a variation of benefits permitted among actuarially equivalent plans to be developed by the National Association of Insurance Commissioners. The standard plan would consist of the following services when medically necessary or appropriate: (1) medical and surgical devices; (2) medical equipment; (3) preventive services; and (4) emergency transportation in frontier areas.

My bill would also create individual health insurance purchasing groups for individuals wishing to purchase health insurance on their own. In today's market, such individuals often face a market where coverage options are not affordable. Purchasing groups will allow small businesses and individuals to buy coverage by pooling together within purchasing groups, and choose from among insurance plans that provide comprehensive benefits, with guaranteed enrollment and renewability, and equal pricing through community rating adjusted by age and family size. Community rating will assure that no one small business or individual will be singularly priced out of being able to buy comprehensive health coverage because of health status. With community rating, a small group of individuals and businesses can join together, spread the risk, and have the same purchasing power that larger companies have today.

For example, Pennsylvania has the ninth lowest rate of uninsured in the nation, with 90 percent of all Pennsylvanians enrolled in some form of health coverage. Lewin and Associates found that one of the factors enabling Pennsylvania to achieve this low rate

of uninsured persons is that Pennsylvania's Blue Cross/Blue Shield plans provide guaranteed enrollment and renewability, an open enrollment period, community rating, and coverage for persons with pre-existing conditions. My legislation seeks to enact reforms to provide for more of these types of practices. The purchasing groups, as developed and administered on a local level, will provide small businesses and all individuals with affordable health coverage options.

Title III of my bill also includes an important provision to give the self employed 100 percent deductibility of their health insurance premiums. The Kassebaum-Kennedy bill extended the deductibility of health insurance for the self employed to 80 percent by 2006. The Balanced Budget Act of 1997 and the Omnibus Appropriations Act for Fiscal Year 1999 both contained new phase-in scales for health insurance deductibility for the self-employed. Currently, self-employed persons may deduct 60 percent of their health insurance costs through 2002, to be fully deductible in 2003. My bill would speed up the phase-in to allow self-employed individuals and their families to deduct 100 percent of their health insurance costs beginning in 2001, thereby giving the currently 2.9 million self-employed Americans who are uninsured a better incentive to purchase coverage.

The provisions contained in this portion of my bill are vital, as EBRI statistics tell us that 48 percent of all uninsured workers in 1997 were either self-employed or were working in private-sector firms with fewer than 25 employees. The disparity is further demonstrated by this telling statistic: 35 percent of workers in private-sector firms with fewer than 10 employees were uninsured, compared with only 12.3 percent of workers in private-sector firms with 1000 or more employees.

It is anticipated that the increased costs to employers electing to cover their employees as provided under Title III in my bill would be offset by the administrative savings generated by development of the small employer purchasing groups. Such savings have been estimated at levels as high as $9 billion annually. In addition, by addressing some of the areas within the health care system that have exacerbated costs, significant savings can be achieved and then redirected toward direct health care services.

TITLE IV

Although our existing health care system suffers from very serious structural problems, common sense steps can be taken to head off the remaining problems before they reach crisis proportions. Title IV of my bill includes initiatives which will enhance primary and preventive care services aimed at preventing disease and ill-health.

Each year about 7 percent of babies born in the United States are born with a low birth weight, multiplying their risk of death and disability. Most of the deaths which do occur are preventable. Although the infant mortality rate in the United States fell to an all-time low in 1989, an increasing percentage of babies continue to be born of low birth weight. The Executive Director of the National Commission To Prevent Infant Mortality put it this way: ''More babies are being born at risk and all we are doing is saving them with expensive technology.''

It is a human tragedy for a child to be born weighing 16 ounces with attendant problems which last a lifetime. I first saw one pound babies in 1984 when I was astounded to learn that Pittsburgh, PA had the highest infant mortality rate of African-American babies of any city in the United States. I wondered how that could be true of Pittsburgh, which has such enormous medical resources. It was an amazing thing for me to see a one pound baby, about as big as my hand. However, I am pleased to report that as a result of successful prevention initiatives, Pittsburgh's infant mortality has decreased 20% (currently 14.9 deaths per 1000 births, according to the 1997 statistics).

My legislation also focuses attention on women at-risk for delivering low birth weight babies. The Department of Health and Human Services has estimated that between $1.1 billion and $2.5 billion per year could be saved if the number of low birth weight children were reduced by 82,000 births. We know that in most instances, prenatal care is effective in preventing low birth weight babies. Numerous studies have demonstrated that low birth weight that does not have a genetic link is most often associated with inadequate prenatal care or the lack of prenatal care. The short and long-term costs of saving and caring for infants of low birth weight is staggering. In the most recent available study on the costs of low birth weight babies, the Office of Technology Assessment in 1988 concluded that $8 billion was expended in 1987 for the care of 262,000 low birth weight infants in excess of that which would have been spent on an equivalent number of babies born of normal birth weight, averted by earlier or more frequent prenatal care. If adequate prenatal care had been provided, especially to women at-risk for delivering low birth weight babies, the U.S. health care system could have saved between $14,000 and $30,000 per child in the first year in addition to the projected savings over the lifetime of each child.

To improve pregnancy outcomes for women at risk of delivering babies of low birth weight, my legislation would strengthen the Healthy Start program to reduce infant mortality and the incidence of low birth weight births, as well as to improve the health and well-being of mothers and their families, pregnant women and infants. Funds are awarded under this program with the goal of developing and coordinating effective health care and social support services for women and their babies.

I initiated action that led to the creation of the Healthy Start program in 1991, working with the Bush Administration and Senator HARKIN. As Chairman of the Appropriations Subcommittee with jurisdiction over the Department of Health and Human Services, I have worked with my colleagues to ensure the continued growth of this important program. In 1991, we allocated $25 million for the development of 15 demonstration projects. This number grew to 22 in 1994, to 75 projects in 1998, and the Health Resources and Services Administration expects this number to continue to increase. For fiscal year 1999, we secured $105 million for this vital program.

Title IV also provides increased support to local educational agencies to develop and strengthen comprehensive health education programs, and to Head Start resource centers to support health education training programs for teachers and other day care workers. Many studies indicate that poor health and social habits are carried into adulthood and often passed on to the next generation. To interrupt this tragic cycle, our nation must invest in proven preventive health education programs.

Title IV further expands the authorization of a variety of public health programs, such as breast and cervical cancer prevention, childhood immunizations, family planning, and community health centers. These existing programs are designed to improve the public health and prevent disease through primary and secondary prevention initiatives. It is essential that we invest more resources in these programs now if we are to make any substantial progress in reducing the costs of acute care in this country.

As Chairman of the Appropriations Subcommittee with jurisdiction over the Department of Health and Human Services, I have greatly encouraged the development of prevention programs which are essential to keeping people healthy and lowering the cost of health care in this country. In my view, no aspect of health care policy is more important. Accordingly, my prevention efforts have been widespread. Specifically, I joined my colleagues in efforts to ensure that funding for the Centers for Disease Control and Prevention (CDC) increased $1.6 billion or 160 percent since 1989; fiscal year 1999 funding for the CDC totals $2.6 billion. We have also worked to elevate funding for CDC's breast and cervical cancer early detection program to $159 million in fiscal year 1999, a 123 percent increase since 1993. In addition, I have supported providing funding to CDC to improve the detection and treatment of re-emerging infectious diseases.

I have also supported programs at CDC which help children. CDC's childhood immunization program seeks to eliminate preventable diseases through immunization and to ensure that at least 90 percent of 2 year olds are vaccinated. The CDC also continues to educate parents and caregivers on the importance of immunization for children under two years. Along with my

colleagues on the Appropriations Committee, I have helped to ensure that funding for this important program totaled $421.5 million for fiscal year 1999. The CDC's lead poisoning prevention program annually identifies about 50,000 children with elevated blood levels and places those children under medical management. The program prevents the amount of lead in children's blood from reaching dangerous levels and is currently funded at about $38 million.

In recent years, we have also strengthened funding for Community Health Centers, which provide immunizations, health advice, and health professions training. These Centers, administered by the Health Resources and Services Administration, provide a critical primary care safety net to rural and medically underserved communities, as well as uninsured individuals, migrant workers, the homeless, residents of public housing, and Medicaid recipients. In 1996, 940 Health Centers provided comprehensive health care to 10 million children and adults across the United States. For fiscal year 1999, these Centers received $925 million, a $100 million increase over fiscal year 1998.

As Chairman of the Select Committee on Intelligence and Chairman of the Appropriations Subcommittee with jurisdiction over the Department of Health and Human Services, I have worked to transfer CIA imaging technology to the fight against breast cancer. Through the Office of Women's Health within the Department of Health and Human Services, I secured a $2 million contract in fiscal year 1996 for the University of Pennsylvania and a consortium to perform the first clinical trials testing the use of intelligence community technology for breast cancer detection. My Appropriations Subcommittee has continued to provide funds to continue the clinical trials.

I have also been a strong supporter of funding for AIDS research, education, and prevention programs. Funding for Ryan White AIDS programs has increased from $757.4 million in 1996 to $1.41 billion for fiscal year 1999. Within the fiscal year 1999 funding, $46 million was included for pediatric AIDS programs and $461 million for the AIDS Drug Assistance Program (ADAP). AIDS research at the NIH totaled $742.4 million in 1989, and has increased to $1.85 billion in fiscal year 1999. AIDS funding across the Department of Health and Human Services has steadily increased to over $3.9 billion for fiscal year 1999.

The health care community continues to recognize the importance of prevention in improving health status and reducing health care costs. In this bill, I have also included provisions which refine and strengthen preventive benefits within the Medicare program, including coverage of yearly pap smears, pelvic exams, and mammography screening for women, with no copayment or Part B deductible; and coverage of insulin pumps for certain Type I Diabetics.

The proposed expansions in preventive health services included in Title IV of my bill are conservatively projected to save approximately $2.5 billion per year or $12.5 billion over five years. However, I believe the savings will be higher. It is clearly difficult to quantify today the savings that will surely be achieved tomorrow from future generations of children that are truly educated in a range of health-related subjects including hygiene, nutrition, physical and emotional health, drug and alcohol abuse, and accident prevention and safety.

TITLE V

Title V of my bill would establish a federal standard and create uniform national forms concerning a patient's right to decline medical treatment. Nothing in my bill mandates the use of uniform forms. Rather, the purpose of this provision is to make it easier for individuals to make their own choices and determination regarding their treatment during this vulnerable and highly personal time. Studies have also indicated that advance directives do not increase health care costs. Data indicate that end-of-life costs account for 10 percent of total health expenditures and 28 percent of total Medicare expenditures. Loose projections indicate that a 10 percent savings made in the final days of life would result in approximately $10 billion of savings in medical costs per year, and about $4.7 billion in savings for Medicare alone.

However, economic considerations are not and should not be the primary reasons for using advance directives. They provide a means for patients to exercise their autonomy over end-of-life decisions. A study done at the Thomas Jefferson University Medical College in Philadelphia cited research which found that about 90 percent of the American population has expressed interest in discussing advance directives. However, even more recent studies indicate that living wills would be used by many more Americans if they were better understood. My bill would provide information on an individual's rights regarding living wills and advanced directives, and would make it easier for people to have their wishes known and honored. In my view, no one has the right to decide for anyone else what constitutes appropriate medical treatment to prolong a person's life. Encouraging the use of advance directives will ensure that patients are not needlessly and unlawfully treated against their will. No health care provider would be permitted to treat an adult contrary to the adult's wishes as outlined in an advance directive. However, in no way would the use of advance directives condone assisted suicide or any affirmative act to end human life.

TITLE VI

The next title addresses the unique barriers to coverage which exist in both rural and urban medically underserved areas. Within my State of Pennsylvania, such barriers result from a lack of health care providers in rural areas, and other problems associated with the lack of coverage for indigent populations living in inner cities. Title VI of my bill improves access to health care services for these populations by: (1) expanding Public Health Service programs and training more primary care providers to serve in such areas; (2) increasing the utilization of nonphysician providers, including nurse practitioners, clinical nurse specialists and physician assistants, through direct reimbursements under the Medicare and Medicaid programs; and (3) increasing support for education and outreach.

I believe these provisions will also yield substantial savings. A study of the Canadian health system utilizing nurse practitioners projected savings of 10 to 15 percent of all medical costs. While our system is dramatically different from that of Canada, it may not be unreasonable to project annual savings of five percent, or $55 billion, from an increased number of primary care providers in our system. Again, experience will raise or lower this projection. Assuming these savings, based on an average expenditure for health care of $3,821 per person in 1995, it seems reasonable that we could cover over 10 million uninsured persons with these savings.

TITLE VII

Outcomes research, included in title VII of my bill, is another area where we can achieve considerable long term health care savings while also improving the quality of care. According to most outcomes management experts, it is estimated that about 25 to 30 percent of medical care is inappropriate or unnecessary. Dr. Marcia Angell, former editor-in-chief of the New England Journal of Medicine, also stated that 20 to 30 percent of health care procedures are either inappropriate, ineffective or unnecessary. In 1997, health care expenditures totaled $1.1 trillion annually.

A well-funded program for outcomes research is therefore essential, and is supported by Dr. C. Everett Koop, former Surgeon General of the United States. Title VII of my bill would establish such a program by imposing a one-tenth of one cent surcharge on all health insurance premiums. Based on the Health Care Financing Administration's 1995 health spending review, private health insurance premiums totaled $325.4 billion. As provided in my bill, a surcharge would generate $325.4 million for an outcomes research fund.

Title VII also authorizes the Secretary of Health and Human Services to award grants to States to establish or improve a health care data information system. Currently, 38 States have a mandate to establish such a system, and 22 States are in various stages of implementation. In my own State, the Pennsylvania Health Care Cost Containment Council has received national

recognition for the work it has done to help control health care costs through the promotion of competition in the collection, analysis and distribution of uniform cost and quality data for all hospitals and physicians in the Commonwealth. Consumers, businesses, labor, insurance companies, health maintenance organizations, and hospitals have utilized this important information. Specifically, hospitals have used this information to become more competitive in the marketplace; businesses and labor have used this data to lower their health care expenditures; health plans have used this information when contracting with providers; and consumers have used this information to compare costs and outcomes of health care providers and procedures.

TITLE VIII

Nursing home care is another significant issue which must be addressed. The cost of this care is exorbitant, averaging in excess of $40,000 annually. Public expenditures on nursing home care, largely through the Medicaid program, were over $33 billion in 1995. Despite these large public expenditures, the elderly face significant uncovered liability for long term care. Title VIII of my bill therefore would provide a tax credit for premiums paid to purchase private long-term care insurance. It also proposes home and community-based care benefits as less costly alternatives to institutional care. Other tax incentives and reforms provided in my bill to make long term care insurance more affordable include: (1) allowing employees to select long-term care insurance as part of a cafeteria plan and allowing employers to deduct this expense; (2) excluding from income tax the life insurance savings used to pay for long term care; and (3) setting standards for long term care insurance that reduce the bias that currently favors institutional care over community and home-based alternatives.

TITLE IX

The final title of my bill would create a national fund for health research within the Department of the Treasury, to supplement the monies appropriated for the National Institutes of Health. To capitalize this fund, health insurance companies would be required to contribute 1 percent of all health insurance premiums received. This creative proposal was first developed by my distinguished colleagues, Senators Mark Hatfield and TOM HARKIN. Their idea is a sound one and ought to be adopted. To this end, Senator HARKIN and I introduced the National Fund for Health Research Act of 1997 (S. 441) on March 13, 1997. I look forward to continuing to work together with Senator HARKIN to enact a biomedical research fund this Congress.

While precision is again impossible, it is reasonable to project that my proposal could achieve a net annual savings of between $90 and $100 billion. I arrive at this sum by totaling the projected savings of $90 to $100 billion annually—$9 billion in small employer market reforms coupled with employer purchasing groups; $2.5 billion for preventive health services; $22 to $33 billion for reducing inappropriate care through outcomes research; $10 billion from advanced directives; $55 billion from increasing primary care providers; and $2.9 billion by reducing administrative costs and netting this against the $2.8 billion for long term care. Although these estimates are not exact, I propose this bill as a starting point to address the remaining problems with our health care system. Experience will require modification of these projections, and I am prepared to work with my colleagues to develop implementing legislation and to press for further action in the important area of health care reform.

The provisions which I have outlined today contain the framework for providing affordable health care for all Americans. I am opposed to rationing health care. I do not want rationing for myself, for my family, or for America. In my judgment, we should not scrap, but rather we should build on our current health delivery system. We do not need the overwhelming bureaucracy that President Clinton and other Democratic leaders proposed in 1993 to accomplish this. I believe we can provide care for the 43.1 million Americans who are now not covered and reduce health care costs for those who are covered within the currently growing $1.1 trillion in health care spending.

This bill is a significant next step forward in obtaining the objective of reforming our health care system, although that reform will not be achieved immediately or easily. Mr. President, the time has come for concerted action in this arena.

I urge the Congressional leadership, including the appropriate committee chairmen, to move this legislation and other health care bills forward promptly.

I ask unanimous consent that a summary of the bill and a list of the 26 health care bills I have sponsored since 1983 be printed in the RECORD.

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

26 HEALTH CARE BILLS INTRODUCED BY SENATOR ARLEN SPECTER

98th Congress 1/3/83 until 1/2/85:

(1) S.811: The Health Care for Displaced Workers Act of 1983 (3/15/83)

(2) S.2051: The Health Care Cost Containment Act of 1983 (11/4/83)

99th Congress 1/3/85 until 1/2/87:

(3) S.379: The Health Care Cost Containment Act of 1985 (2/5/85)

(4) S.1873: The Community Based Disease Prevention and Health Promotion Projects Act of 1985 (11/21/85)

100th Congress 1/3/87 until 1/2/89:

(5) S.281: The Aid to Families and Employment Transition Act (1/6/87)

(6) S.1871: The Pediatric Acquired Immunodeficiency Syndrome (AIDS) Resource Centers Act (11/17/87)

(7) S.1872: The Minority Acquired Immunodeficiency Syndrome (AIDS) Awareness and Prevention Projects Act (11/17/87):

101st Congress 1/3/89 until 1/2/91

(8) S.896: The Pediatric AIDS Resource Centers Act (5/2/89)

(9) S.1607: Authorization of the Office of Minority Health (9/12/89):

102nd Congress 1/3/91 until 1/5/93:

(10) S.1122: The Long-Term Care Incentives Act of 1991 (5/22/91)

(11) S.1214: The Change in Designation of Lancaster County, PA, for Purposes of Medicare Services (6/4/91)

(12) S.1864: The Children's Hospital of Philadelphia Medical Research Facility Act (10/23/91)

(13) S.1995: The Health Care Access and Affordabililty Act of 1991 (11/20/91)

(14) S.2028: The Women Veteran's Health Equity Act of 1991 (11/22/91)

(15) S.2029: Self-Funding of Veteran's Administrative Health Care Act (11/22/91)

(16) S.2188: Rural Veterans Health Care Facilities Act (2/5/92)

(17) S.3176: The Health Care Affordabililty and Quality Improvement Act of 1992 (8/12/92)

(18) S.3353: The Deferred Acquisition Cost Act (10/6/92)

103rd Congress 1/5/93 until 12/11/94:

(19) S.18: The Comprehensive Health Care Act of 1993 (1/21/93)

(20) S.631: The Comprehensive Access and Affordabililty Health Care (3/23/93):

104th Congress 1/4/95 until 10/3/96:

(21) S.18: The Health Care Assurance Act of 1995 (1/4/95)

(22) S.1716: The Adolescent Family Life and Abstinence Education Act of 1996 (4/29/96)

105th Congress 1/7/97 to 10/21/98:

(23) S.24: The Health Care Assurance Act of 1997 (1/21/97)

(24) S.435: The Healthy Children's Pilot Program Act of 1997 (3/13/97)

(25) S.934: The Adolescent Family Life and Abstinence Education Act of 1997 (6/18/97)

(26) S.999: Authorizing the Department of Veteran's Affairs to Specify the Frequency of Screening Mammograms (7/9/97)

HEALTH CARE ASSURANCE ACT OF 1999—SUMMARY

TITLE I: Expanded State Child Health Insurance Program—This title will expand upon the State Child Health Insurance Program (S–CHIP), the new program established in the Balanced Budget Act of 1997 which allocates $24 billion/five years to increase health insurance coverage for children. The S–CHIP program gives States the option to use federally funded grants to provide vouchers to eligible families to purchase health insurance for their children, or to expand Medicaid coverage for those uninsured children, or a combination of both. These grants are distributed to participating States based on the number of uninsured children residing there. This title would increase the income eligibility to families with incomes at or below 235 percent of the Federal poverty level ($38,658 annually for a family of four), and would strengthen the States' ability to conduct Medicaid outreach to eligible children.

TITLE II: Expanded Health Services for Disabled Individuals:—Extension of Medicare Eligibility for Disabled Individuals Who Return to Work: Currently, disabled individuals, or recipients of Social Security Disability Income (SSDI), may receive health insurance coverage under the Medicare program for a short time after returning to work. This provision would extend to 24 months the period during which the individual may continue to receive Medicare benefits after returning to work, and allow the individual to ''buy-into'' Medicare at a reduced rate, subject to yearly review.

Expansion of Community-Based Attendant Care Services—Medicaid currently covers the costs associated with institutional care

for disabled individuals. In an effort to improve the delivery of care and the comfort of those with long-term disabilities, this section would allow for reimbursement for community-based attendant care services, instead of institutionalization, for eligible individuals who require such services based on functional need, without regard to the individual's age or the nature of the disability.

TITLE III: General Health Insurance Coverage Provisions—Tax Equity for the Self-Employed: Under current law, self-employed persons may deduct 60 percent of their health insurance costs through 2002, and those costs would be fully deductible in 2003. However, all other employees may already deduct 100 percent of such costs. Title III corrects this inequity for the self-employed, 2.9 million of whom are currently uninsured, by speeding up the phase-in to allow self-employed individuals and their families to deduct 100 percent of their health insurance costs beginning in 2001.

Small Employer and Individual Purchasing Groups: Establishes voluntary small employer and individual purchasing groups designed to provide affordable, comprehensive health coverage options for such employers, their employees, and other uninsured and underinsured individuals and families. Health plans offering coverage through such groups will: (1) provide a standard, actuarially equivalent health benefits package; (2) adjust community rated premiums by age and family size in order to spread risk and provide price equity to all; and (3) meet certain other guidelines involving marketing practices.

Standard Benefits Package: The standard package of benefits would include a variation of benefits permitted among actuarially equivalent plans developed through the National Association of Insurance Commissioners (NAIC). The standard plan will consist of the following services when medically necessary or appropriate: (1) medical and surgical services; (2) medical equipment; (3) preventive services; and (4) emergency transportation in frontier areas.

COBRA Portability Reform: For those persons who are uninsured between jobs and for insured persons who fear losing coverage should they lose their jobs, Title III reforms the existing COBRA law by: (1) extending to 24 months the minimum time period in which COBRA may cover individuals through their former employers' plan, and extending to 36 months the time period in which a child who is no longer a dependent under a parent's health insurance policy may receive COBRA coverage; (2) expanding coverage options to include plans with a lower premium and a $1,000 deductible—saving a typical family of four 20 percent in monthly premiums—and plans with a lower premium and a $3,000 deductible—saving a family of four 52 percent in monthly premiums.

TITLE IV: Primary and Preventive Care Services:

New Medicare Preventive Care Services: The health care community continues to recognize the importance of prevention in improving health status and reducing health care costs. This provision institutes new preventive benefits within the Medicare program, and refines and strengthens existing ones. Under this provision, Medicare would cover yearly pap smears, pelvic exams, and mammography screening for women, with no copayment or Part B deductible; and cover insulin pumps for certain Type I Diabetics.

Primary Health and Education Assistance Programs: The Department of Health and Human Service administers many programs designed to increase access to primary and preventive care. This provision provides increased authorization for several existing preventive health programs such as breast and cervical cancer prevention, Healthy Start project grants aimed at reducing infant mortality and low weight births and to improve the health and well-being of mothers and their families, pregnant women and infants, and childhood immunizations. This section also authorizes a new grant program for local education agencies and pre-school programs to provide comprehensive health education, and reauthorizes the Adolescent Family Life (AFL) program (Title XX) for the first time since 1984. The AFL program provides funding for initiatives focusing directly on abstinence education.

TITLE V: Patient's Right to Decline Medical Treatment: Improves the effectiveness and portability of advance directives by strengthening the federal law regarding patient self-determination and establishing uniform federal forms with regard to self-determination.

TITLE VI: Primary and Preventive Care Providers: Encourages use of non-physician providers such as nurse practitioners, physician assistants, and clinical nurse specialists by increasing direct reimbursement under Medicare and Medicaid without regard to the setting where services are provided. Title VI also seeks to encourage students early on in their medical training to pursue a career in primary care and it provides assistance to medical training programs to recruit such students.

TITLE VII: Cost Containment:

Outcomes Research: Expands funding for outcomes research necessary for the development of medical practice guidelines and increasing consumers' access to information in order to reduce the delivery of unnecessary and overpriced care.

New Drug Clinical Trials Program: Authorizes a program at the National Institutes of Health to expand support for clinical trials on promising new drugs and disease treatments with priority given to the most costly diseases impacting the greatest number of people.

Health Care Cost Containment and Quality Information Project: Authorizes the Secretary of Health and Human Services to award grants to States to establish a health care cost and quality information system or to improve an existing system. Currently, 38 States have State mandates to establish an information system, approximately 22 States of which have information systems in various stages of operation. Information such as hospital charge data and patient procedure outcomes data, which the State agency or council collects is used by businesses, labor, health maintenance organizations, hospitals, researchers, consumers, States, etc. Such data has enabled hospitals to become more competitive, businesses to save health care dollars, and consumers to make informed choices regarding their care.

TITLE VIII: Tax Incentives for Purchase of Qualified Long-Term Care Insurance: Increases access to long-term care by: (1) establishing a tax credit for amounts paid toward long-term care services of family members; (2) excluding life insurance savings used to pay for long-term care from income tax; (3) allowing employees to select long-term care insurance as part of a cafeteria plan and allowing employers to deduct this expense; (4) setting standards that require long-term care to eliminate the current bias that favors institutional care over community and home-based alternatives.

TITLE IX: National Fund for Health Research: Authorizes the establishment of a National Fund for Health Research to supplement biomedical research through the contributions of 1% of premiums collected by health insurers. Funds will be distributed to the National Institutes of Health's member institutes and centers in the same proportion as the amount of appropriations they receive for the fiscal year.

By Ms. LANDRIEU (for herself, Mr. MURKOWSKI, Mr. BREAUX, Mr. SESSIONS, Mr. JOHNSON, Mr. LOTT, Mr. CLELAND, Mr. GREGG, Ms. MIKULSKI, and Mr. COCHRAN):

S. 25. A bill to provide Coastal Impact Assistance to State and local governments, to amend the Outer Continental Shelf Lands Act Amendments of 1978, the Land and Water Conservation Fund Act of 1965, the Urban Park and Recreation Recovery Act, and the Federal Aid in Wildlife Restoration Act (commonly referred to as the Pittman-Robertson Act) to establish a fund to meet the outdoor conservation and recreation needs of the American people, and for other purposes; to the Committee on Energy and Natural Resources.

CONSERVATION AND REINVESTMENT ACT OF 1999

Ms. LANDRIEU. Mr. President, I rise today with great enthusiasm and pride to introduce a very important piece of legislation. I worked with my colleagues on the Senate Energy and Natural Resources Committee, as well as with other members for over a year before introducing this legislation during the 105th Congress. Now, on this first date of introductions in the 106th Congress, I am reintroducing that legislation with a broad array of cosponsors. We have worked hard to arrive at this long awaited and anticipated point to introduce a bipartisan piece of legislation that may well be the most significant environmental effort of the century. I am pleased to be joined by my colleagues, Senators MURKOWSKI, LOTT, BREAUX, SESSIONS, CLELAND, JOHNSON, GREGG, COCHRAN and MIKULSKI.

The Conservation and Reinvestment Act of 1999 will go farther than any legislation to date to make good on promises that were made to the people of this country decades ago. In addition, it will begin to right a wrong endured by oil and gas producing states for over 50 years, particularly for the states along the Gulf of Mexico, and my state of Louisiana.

The Conservation and Reinvestment Act first provides a guaranteed source of funding equal to twenty-seven percent of all Outer Continental Shelf revenues for Coastal Impact Assistance to states to offset the impacts of offshore oil and gas activity, as well as to non-producing states for environmental purposes. This funding goes directly to States and local governments for improvements in air and water quality, fish and wildlife habitat, wetlands, or other coastal resources, including shoreline protection and coastal restoration. These revenues to coastal states will help offset a range of costs unique to maintaining a coastal zone for specific enumerated uses. The formula is based on population, coastline and proximity to production.

Second, the bill provides a permanent stream of revenue for the State and Federal sides of the Land and Water Conservation Fund, as well as for the Urban Parks and Recreation Recovery Program. Under the bill, funding to the LWCF becomes automatic at sixteen percent of annual revenues. Receiving just under half this amount, the state side of LWCF will provide funds to state and local governments for land acquisition, urban conservation and recreation projects, all under the discretion of state and local authorities. Since its enactment in 1965, the LWCF state grant program has funded more than 37,000 park and recreation projects throughout the nation, including in Louisiana the Joe Brown Park Development in New Orleans, the Baton Rouge Animal Exhibit, the Veterans Memorial Park in Point Barre and the Northwestern State University Recreation Complex in Natchitoches. The Urban Parks program would enable cities and towns to focus on the needs of its populations within our more densely inhabited areas with fewer greenspaces, playgrounds and soccer fields for our youth. Stable funding, not subject to appropriations, will provide greater revenue certainty to state and local planning authorities.

A stable baseline will be established for Federal land acquisition through the LWCF at a level higher than the historical average over the past decade. Federal LWCF will receive just under half of the amount in this title of the bill. And, nothing in this bill will preclude additional Federal LWCF funds to be sought through the annual appropriations process. Some very worthy national projects that have received funding in the past include the Atchafalaya National Wildlife Refuge in Louisiana, the Mississippi Sandhill Crane Wildlife Refuge, the Cape Cod National Seashore, Voyageurs National Park in Minnesota and the Sterling Forest in New Jersey. Federal LWCF dollars will be used for land acquisition in areas which have been and will be authorized by Congress. Property will be acquired on a willing seller basis. The bill will restore Congressional intent with respect to the LWCF, the goal of which is to share a significant portion of revenues from offshore development with the states to provide for protection and public use of the natural environment.

Finally, the wildlife conservation and restoration provision include guaranteed funding of seven percent of annual OCS revenues for wildlife habitat protection, conservation education and delisting of endangered species. Moreover, this funding may be used by states for habitat preservation and land acquisition of wintering habitat for important species, therefore preventing listings under the Endangered Species Act.

There is an incredible groundswell of support for this legislation that is growing. Just a few days ago, in recognition of the efforts undertaken here in Congress in both the House and the Senate, our Nation's President unveiled the Lands Legacy Initiative, which mirrors a number of provisions in the bills introduced here in Congress. I want to acknowledge this praiseworthy effort by the President. Such a development goes even further to emphasize the importance of this bipartisan, bicameral inititative—it is the will of the people. During last November's elections, many states enacted bond initiatives totaling almost $700 million that overwhelmingly demonstrate the value that the public places on green space and recreational opportunities. It is our duty to support those efforts for the benefit of future generations by reinvesting in our renewable resources. It is the right thing to do.

While I am proud of the accomplishments represented by the introduction of this bill, I feel compelled to mention other interests that are not included in the legislation, but for which I maintain a strong level of support and commitment. The National Historic Preservation fund is an important authorized use for Outer Continental Shelf revenues. In fact, I introduced legislation last Congress to reauthorize the fund for its continued viability and vitality. In addition, I would like to work with proponents of historic preservation over the course of the 106th Congress to see their needs addressed in the future. This would include similar consideration for Historic Battlefield Preservation.

I see the Conservation and Reinvestment Act as a starting point for debate and consideration of additional issues. My cosponsors and I have made some changes to the legislation to reflect the concerns and desires of interested groups. As we move forward on this measure, in the hearing and committee consideration process, I also wish to work with other Members and groups. Indeed, this is a measure that should enjoy broad support, and I want to continue to work toward that end.

All three portions of the Conservation and Reinvestment Act of 1999 will effectively free up State resources which in turn may then be used for other pressing local needs. The Conservation and Reinvestment Act is a perfect opportunity to reinvest in our nation's renewable resources for our children's future and our grandchildren's future. It is an idea whose time has come. I urge my colleagues to carefully consider this proposal.

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

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

S. 25

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 ''Conservation and Reinvestment Act of 1999''.

TITLE I—COASTAL IMPACT ASSISTANCE

SECTION 101. SHORT TITLE.

This title may be cited as the ''Coastal Conservation and Impact Assistance Act of 1998''.

SEC. 102. AMENDMENT TO OUTER CONTINENTAL SHELF LANDS ACT.

The Outer Continental Shelf Lands Act Amendments of 1978 (92 Stat. 629), as amended, is amended to add at the end thereof a new Title VII as follows:

''SEC. 701. FINDINGS.

''The Congress finds and declares that—

''(1) The Nation owns valuable mineral resources that are located both onshore and in the Federal Outer Continental Shelf, and the Federal Government develops these resources for the benefit of the Nation, under certain restrictions designed to prevent environmental damage and other adverse impacts.

''(2) Nonetheless, the development of these mineral resources for the Nation is accompanied by unavoidable environmental impacts and public service impacts in the States that host this development, whether the development occurs onshore or on the Federal Outer Continental Shelf.

''(3) The Federal Government has a responsibility to the States affected by development of Federal mineral resources to mitigate adverse environmental and public service impacts incurred due to that development.

''(4) The Federal Government discharges its responsibility to States where onshore Federal mineral development occurs by sharing 50 percent of the revenue derived from the Federal mineral development in that State pursuant to section 35 of the Mineral Leasing Act.

''(5) Federal mineral development is occurring as far as 200 miles offshore and occurs off the coasts of only 6 States, yet section 8(g) of the Outer Continental Shelf Lands Act does not adequately compensate these States for onshore impacts of the offshore Federal mineral development.

''(6) Federal Outer Continental Shelf mineral development is an important and secure source of our Nation's supply of oil and natural gas.

''(7) Further technological advancements in oil and natural gas exploration and production need to be pursued and encouraged.

''(8) These technological achievements have and will continue to result in new Outer Continental Shelf production having an unparalleled record of excellence on environmental safety issues.

''(9) Additional technological advances with appropriate incentives will further improve new resource recovery and therefore increase revenues to the Treasury for the benefit of all Americans who enjoy programs funded by Outer Continental Shelf moneys.

''(10) The Outer Continental Shelf Advisory Committee of the Department of the Interior, consisting of representatives of coastal States, recommended in October 1997 that Federal mineral revenue derived from the entire Outer Continental Shelf be shared with all coastal States and territories to mitigate onshore impacts from Federal offshore mineral development and for other environmental mitigation; and

''(11) The Nation's Federal mineral resources are a nonrenewable, capital asset of the Nation, with the production and sale of this resource producing revenue for the Nation, a portion of the revenue derived from the production and sale of Federal mineral resources should be reinvested in the Nation through environmental mitigation and public service improvements;

''(12) Nothing in this Title shall be interpreted to repeal or modify any existing moratorium on leasing Federal OCS leases for

drilling nor shall anything in this Title be interpreted as an incentive to encourage the development of Federal OCS resources where such resources currently are not being developed.

"SEC. 702. DEFINITIONS.

''For purposes of this Act:

''(1) The term 'allocable share' means, for a coastal State, that portion of revenue that is available to be distributed to that coastal State under this title. For an eligible political subdivision of a coastal State, such term means that portion of revenue that is available to be distributed to that political subdivision under this title.

''(2) The term 'coastal population' means the population of political subdivisions, as determined by the most recent official data of the Census Bureau, contained in whole or in part within the designated coastal boundary of a State as defined in a State's coastal zone management program under the Coast Zone Management Act (16 U.S.C. §1455).

''(3) The term 'coastline' has the same meaning that it has in the Submerged Lands Act (43 U.S.C. §1301 et seq.).

''(4) The term 'eligible political subdivision' means a coastal political subdivision of a coastal State which political subdivision has a seaward boundary that lies within a distance of 200 miles from the geographic center of any leased tract. The Secretary shall annually provide a list of all eligible political subdivisions of each coastal State to the Governor of such State.

''(5) The term 'political subdivision' means the local political jurisdiction immediately below the level of State government, including counties, parishes, and boroughs. If State law recognizes an entity of general government that functions in lieu of, and is not within, a county, parish, or borough, the Secretary may recognize an area under the jurisdiction of such other entities of general government as a political subdivision for purposes of this Act.

''(6) The term 'coastal State' means any State of the United States bordering on the Atlantic Ocean, the Pacific Ocean, the Arctic Ocean, the Bering Sea, the Gulf of Mexico, or any of the Great Lakes, Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

''(7) The term 'distance' means minimum great circle distance, measured in statute miles.

''(8) The term 'fiscal year' means the Federal Government's accounting period which begins on October 1st and ends on September 30th, and is designated by the calendar year in which it ends.

''(9) The term 'Governor' means the highest elected official of a coastal State.

''(10) The term 'leased tract' means a tract, leased under section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. §1337) for the purpose of drilling for, developing and producing oil and natural gas resources, which is a unit consisting of either a block, a portion of a block, a combination of blocks and/or portions of blocks, as specified in the lease, and as depicted on an Outer Continental Shelf Official Protraction Diagram.

''(11) The term 'revenues' means all moneys received by the United States as bonus bids, rents, royalties (including payments for royalty taken in kind and sold), net profit share payments, and related late-payment interest from natural gas and oil leases issued pursuant to the Outer Continental Shelf Lands Act.

''(12) The term 'Outer Continental Shelf' means all submerged lands lying seaward and outside of the area of 'lands beneath navigable waters' as defined in section 2(a) of the Submerged Lands Act (43 U.S.C. §1301(a)), and of which the subsoil and seabed appertain to the United States and are subject to its jurisdiction and control.

''(13) The term 'Secretary' means the Secretary of the Interior or the Secretary's designee.

"SEC. 703. IMPACT ASSISTANCE FORMULA AND PAYMENTS.

''(a) ESTABLISHMENT OF FUND.—(1) There is established in the Treasury of the United States a fund which shall be known as the 'Outer Continent Shelf Impact Assistance Fund' (referred to in this Act as 'the Fund'). The Secretary shall deposit in the Fund 27 percent of the revenues from each leased tract or portion of a leased tract lying seaward of the zone defined and governed by section 8(g) of the Outer Continental Shelf Lands Act (43 U.S.C. §1337(g)), or lying within such zone but to which section 8(g) does not apply, the geographic center of which lies within a distance of 200 miles from any part of the coastline or any coastal State.

''(2) The Secretary of the Treasury shall invest moneys in the Fund that are excess to expenditures at the written request of the Secretary, in public debt securities with maturities suitable to the needs of the Fund, as determined by the Secretary, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturity.

''(b) PAYMENT OF STATES.—Notwithstanding section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. §1338), the Secretary shall, without further appropriation, make payments in each fiscal year to coastal States and to eligible political subdivisions equal to the amount deposited in the Fund for the prior fiscal year, together with the portion of interest earned from investment of the funds which corresponds to that amount (reduced by any refunds paid under section 705(c)). Such payments shall be allocated among the coastal States and eligible political subdivisions as provided in this section.

''(c) DETERMINATION OF STATES' ALLOCABLE SHARES.—

''(1) ALLOCABLE SHARE FOR EACH STATE.—For each coastal State, the Secretary shall determine the State's allocable share of the total amount of the revenues deposited in the Fund for each fiscal year using the following weighted formula:

''(A) 25 percent to the States's allocable share shall be based on the ratio of such State's shoreline miles to the shoreline miles of all coastal States.

''(B) 25 percent to the States's allocable share shall be based on the ratio of such State's coastal population to the coastal population of all coastal States.

''(C) 50 percent of the State's allocable share shall be computed based upon Outer Continental Shelf production. If any portion of a coastal State lies within a distance of 200 miles from the geographic center of any leased tract, such State shall receive 50 percent of its allocable share based on the Outer Continental Shelf oil and gas production offshore of such State. Such part of its allocable share shall be inversely proportional to the distance between the nearest point on the coastline of such State and the geographic center of each leased tract or portion of the leased tract (to the nearest whole mile), as determined by the Secretary.

''(2) MINIMUM STATE SHARE.—

''(A) IN GENERAL.—The allocable share of revenues determined by the Secretary under this subsection for each coastal State with an approved coastal management program (as defined by the Coastal Zone Management Act (16 U.S.C. §1451) or which is making satisfactory progress toward one shall not be less than 0.50 percent of the total amount of the revenues deposited in the Fund for each fiscal year. For any other coastal State the allocable share of such revenues shall not be less than 0.25 percent of such revenues.

''(B) RECOMPUTATION.—Where one or more coastal States' allocable shares, as computed under paragraph (1), are increased by any amount under this paragraph, the allocable share for all other coastal States shall be recomputed and reduced by the same amount so that not more than 100 percent of the amount deposited in the fund is allocated to all coastal States. The reduction shall be divided pro rata among such other coastal States.

''(3) ADJUSTMENT FOR PRODUCING STATES.—

''(A) DEFINITIONS.—In this paragraph:

''(i) NONPRODUCING STATE.—The term 'nonproducing State' means a State other than a producing State.

''(ii) PRODUCING STATE.—The term 'producing State' means a State off the coast of which any leased tract or tract in State water produced oil, condensate, or natural gas during fiscal year 1998 that, during that fiscal year, was transported by pipeline to a processing facility in the State.

''(iii) TRACT IN STATE WATER.—The term 'tract in State water' means a tract on land beneath navigable water described in section 2(a)(2) of the Submerged Lands Act (43 U.S.C. 1301(a)(2)).

''(B) ADJUSTMENT.—For any fiscal year, if the application of paragraphs (1) and (2) would result in an allocable share for any nonproducing State that is greater than the allocable share for any producing State—

''(i) the amount of the allocable share for each such producing State shall be increased to the amount of the highest allocable share for any such nonproducing State; and

''(ii) the amount of the allocable shares for States and other than States receiving increases under paragraph (2) shall be reduced in the amount of the increase under clause (i) in the proportion that the allocable share for each such other State after application of paragraphs (1) and (2) bears to the total amount allocated to all States under paragraphs (1) and (2).

''(d) PAYMENTS TO STATES AND POLITICAL SUBDIVISIONS.—Each coastal State's allocable share shall be divided between the State and political subdivisions in that State as follows:

''(1) 40 percent of each State's allocable share, as determined under subsection (c), shall be paid to the State;

''(2) 40 percent of each State's allocable share, as determined under subsection (c), shall be paid to the eligible political subdivisions in such State, with the funds to be allocated among the eligible political subdivisions using the following weighted formula:

''(A) 50 percent of an eligible political subdivision's allocable share shall be based on the ratio of that eligible political subdivision's acreage within the State's coastal zone, as defined in an approved State coastal management program (as defined by the Coastal Zone Management Act (16 U.S.C. §1451)), to the entire acreage within the coastal zone in such State; *Provided*, however, That if the State in which the eligible political subdivision is located does not have an approved coastal management program, then the allocable share shall be based on the ratio of that eligible political subdivision's shoreline miles to the total shoreline miles in that coastal State.

''(B) 25 percent of an eligible political subdivision's allocable share shall be based on the ratio of such eligible political subdivision's coastal population to the coastal population of all eligible political subdivisions in that State.

''(C) 25 percent of an eligible political subdivision's allocable share shall be based on

ratios that are inversely proportional to the distance between the nearest point on the seaward boundary of each such eligible political subdivision and the geographic center of each leased tract or portion of the leased tract (to the nearest whole mile), as determined by the Secretary.

''(3) 20 percent of each State's allocable share, as determined under subsection (c), shall be allocated to political subdivisions in the coastal State that do not qualify as eligible political subdivisions but which are determined by the Governor or the Secretary to have impacts from Outer Continental Shelf related activities and which have an approved plan under this subsection.

''(4) PROJECT SUBMISSION.—Prior to the receipt of funds pursuant to this subsection for any fiscal year, a political subdivision must submit to the Governor of the State in which it is located a plan setting forth the projects and activities for which the political subdivision proposes to expend such funds. Such plan shall state the amounts proposed to be expended for each project or activity during the upcoming fiscal year.

''(5) PROJECT APPROVAL.—(A) Prior to the payment of funds pursuant to this subsection to any political subdivision for any fiscal year, the Governor must approve the plan submitted by the political subdivision pursuant to this subsection and notify the Secretary of such approval. State approval of any such plan shall be consistent with all applicable State and Federal law. In the event the Governor disapproves any such plan, the funds that would otherwise be paid to the political subdivision shall be placed in escrow by the Secretary pending modification and approval of such plan, at which time such funds together with interest thereon shall be paid to the political subdivision.

''(B) A political subdivision that fails to receive approval from the Governor for a plan may appeal to the Secretary and the Secretary may approve or disapprove such plan based on the criteria set forth in section 704; *Provided*, however, That the Secretary shall have no authority to consider an appeal of a political subdivision if the Governor of the State has certified in writing to the Secretary that the State has adopted a State program that by its express terms addresses the allocation of revenues to political subdivisions.

''(e) TIME OF PAYMENT.—(1) Payments to coastal States and political subdivisions under this section shall be made not later than December 31 of each year from revenues received and interest earned thereon during the immediately preceding fiscal year. Payment shall not commence before the date 12 months following the date of enactment of this Act.

''(2) Any amount in the Fund not paid to coastal States and political subdivisions under this section in any fiscal year shall be disposed of according to the law otherwise applicable to revenues from leases on the Outer Continental Shelf.

''SEC. 704. USES OF FUNDS.

''(a) AUTHORIZED USES OF FUNDS.—Funds received pursuant to this Act may be used by the coastal States and political subdivisions for

''(1) air quality, water quality, fish and wildlife, wetlands, outdoor recreation programs, or other coastal resources, including shoreline protection and coastal restoration;

''(2) other activities of such State or political subdivision, contemplated by the Coastal Zone Management Act of 1972 (16 U.S.C. §1451 et seq.), the provisions of subtitle B of title IV of the Oil Pollution Act of 1990 (104 Stat. 523), or the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.);

''(3) planning assistance and administrative costs of complying with the provisions of this subtitle;

''(4) uses related to the Outer Continental Shelf Lands Act;

''(5) mitigating impacts of Outer Continental Shelf activities, including onshore infrastructure and public service needs; and

''(6) deposit in a state or political subdivision administered trust fund dedicated to uses consistent with this section.

''(b) COMPLIANCE WITH APPLICABLE LAWS.—All projects and activities paid for by the moneys received from the Fund shall comply with the state Coastal Zone Management Plan and all applicable Federal, state and local environmental laws and regulations.''

''SEC. 705. STATE PLANS: CERTIFICATION; ANNUAL REPORT; REFUNDS.

''(a) STATE PLANS.—Within one year after the date of enactment of this Act, the Governor of every state eligible to receive moneys from the Fund shall develop a state plan for the use of such moneys and shall certify the plan to the Secretary. The plan shall be developed with public participation and shall include the plan for the use of such funds by every political subdivision of the state eligible to receive moneys from the Fund. The Governor shall certify to the Secretary that the plan was developed with public participation and in accordance with all applicable state laws. The Governor shall amend the plan, as necessary, with public participation, but not less then every five years.

''(b) CERTIFICATION.—Not later than 60 days after the end of the fiscal year, any political subdivision receiving moneys from the Fund must certify to the Governor—

''(1) the amount of such funds expended by the political subdivision during the previous fiscal year;

''(2) the amounts expended on each project or activity;

''(3) a general description of how the funds were expended; and

''(4) the status of each project or activity, including a certification that the project or activity is consistent with the state plan development under paragraph (a).

''(c) REPORT.—On June 15 of each year, the Governor of each State receiving moneys from the Fund shall account for all moneys so received for the previous fiscal year in a written report to the Secretary and the Congress. This report shall include a description of all projects and activities receiving funds under this Act, including all information required under subsection (a).

''(d) REFUNDS.—In those instances where through judicial decision, administrative review, arbitration, or other means there are royalty refunds owed to entities generating revenues under this Act, 27 percent of such refunds shall be paid from amounts available in the Fund.''

TITLE II—LAND AND WATER CONSERVATION FUND PROGRAM

SECTION. 201. SHORT TITLE.

This title may be cited as the ''Land and Water Conservation Fund Reform Act of 1998''.

SEC. 202. FINDINGS AND PURPOSE.

''(a) FINDINGS.—The Congress finds the following:

''(1) The Land and Water Conservation Fund Act of 1965 embodied a visionary concept—that a portion of the proceeds from Outer Continental Shelf mineral leading revenues and the depletion of a nonrenewable natural resource should result in a legacy of public places accessible for public recreation and benefit from resources belonging to all people, of all generations, and the enhancement of the most precious and most renewable natural resource of any nation, healthy and active citizens.

(2) The States and local governments were to occupy a pivotal role in accomplishing the purposes of the Land Water Conservation Fund Act of 1965 and the Act originally provided an equitable portion of funds to the States, and through them, to local governments.

(3) However, because of competition for limited Federal moneys and the need for an annual appropriation, this original intention has been abandoned and, in recent years, the States have not received an equitable proportion of funds.

(4) Nonetheless, with population growth and urban sprawl, the demand for recreation and conservation areas, at the State and local level, including urban localities, remains a high priority for our citizens.

(5) In addition to the demand at the State and local level, there has been an increasing unmet need for Federal moneys to be made available for Federal purposes, with lands identified as important for Federal acquisition not being acquired for several years due to insufficient funds.

(6) A new vision is called for—a vision that encompasses a multilevel; national network of parks, recreation and conservation areas that reaches across the country to touch all communities. National parks are not enough; the federal government alone cannot accomplish this. A national vision, backed by realistic national funding support, to stimulate State, local and private sector, as well as Federal efforts, is the only way to effectively address our ongoing outdoor recreation and conservation needs.

(b) PURPOSE.—The purpose of this title is to provide a secure source of funds available for Federal purposes authorized by the Land and Water Conservation Fund Act of 1965 and to revitalize and complement State, local and private commitments envisioned in the Land and Water Conservation Fund Act of 1965 and the Urban Park and Recreation Recovery Act of 1978 by providing grants for State, local and urban recreation and conservation needs.

SEC. 203. LAND AND WATER CONSERVATION FUND AMENDMENTS.

(a) REVENUES.—Section 2(c)(1) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §4601-5(c)(1)) is amended as follows:

(1) By inserting ''(A)'' after ''(c)(1)''.

(2) By striking ''there are authorized'' and all that follows and inserting ''from 16 percent of the revenues, as that term is defined in the Conservation and Reinvestment Act of 1999, shall be deposited in the Land and Water Conservation Fund in the Treasury and shall be available, without further appropriation, to carry out this Act for each fiscal year thereafter through September 30, 2015.''

(3) By adding at the end the following new subparagraph:

''(B) In those instances where through judicial decision, administrative review, arbitration, or other means there are royalty refunds owed to entities generating revenues available for purposes of this Act, 16 percent of such refunds shall be paid from amounts available under this subsection.''.

(b) AUTHORIZATION.—Section 2(c)(2) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §4601-5(c)(2)) is amended by striking ''equivalent amounts provided in clause (1)'' and inserting ''$900,000,000''.

(c) APPROPRIATION.—Section 3 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §4601-6) is amended by striking ''Moneys'' and inserting ''Except as provided under section 4601-5(c)(1), moneys''.

(d) ALLOCATION OF FUNDS.—Section 5 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §4601-7) is amended as follows:

(1) by inserting ''(a)'' at the beginning:

(2) by striking ''Those appropriations from the fund'' and all that follows; and

(3) by adding at the end the following new subsection:

''(b) Moneys credited to the fund under section 2(c)(1) of this Act (16 U.S.C. §460l-5(c)(1)) for obligation or expenditure may be obligated or expended only as follows—

''(1) 45 percent shall be available for Federal purposes. Notwithstanding section 7 of this Act (16 U.S.C. §460l-9), 25 percent of such moneys shall be made available to the Secretary of Agriculture for the acquisition of lands, waters, or interests in land or water within the exterior boundaries of areas of the National Forest System or any other land management unit established by an Act of Congress and managed by the Secretary of Agriculture and 75 percent of such moneys shall be available to the Secretary of the Interior for the acquisition of lands, waters, or interests in land or water within the exterior boundaries of areas of the National Park System, National Wildlife Refuge System, or other land management unit established by an Act of Congress; *Provided,* that at least two-thirds of the moneys available under this paragraph for Federal purposes shall be spent east of the 100th meridian; *Provided further,* no moneys available under this paragraph for Federal purposes shall be used for condemnation of any interest of property.

''(2) 45 percent shall be available for financial assistance to the States under section 6 of this Act (16 U.S.C. §460l-8) distributed according to the following allocation formula;

''(A) 60 percent shall be apportioned equally among the several States;

''(B) 20 percent shall be apportioned on the basis of the ratio which the population of each State bears to the total population of the United States;

''(C) 20 percent shall be apportioned on the basis of the urban population in each State (as defined by Metropolitan Statistical Areas).

''(3) 10 percent shall be available to local governments through the Urban Parks and Recreation Recovery Program (16 U.S.C. §§2501–2514) of the Department of the Interior.''.

''An amount, not to exceed 2 percent, of the total of such moneys covered to the fund under section 2(c)(1) of this Act (16 U.S.C. §460l-5(c)(1)) in each fiscal year as the Secretary of the Interior may estimate to be necessary for expenses in the administration and execution of this subsection shall be deducted for that purpose, and such amount is authorized to be made available therefor until the expiration of the next succeeding fiscal year. Within 60 days after the close of such fiscal year, the Secretary shall apportion any portion thereof as remains unexpended, if any, on the same basis and in the same manner as is provided under paragraphs (1), (2) and (3).

(e) REHABILITATION.—Subsection 6(a) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §460l-8(a)) is amended by deleting ''(3) development.'' and inserting in lieu thereof ''(3) development, including the facility rehabilitation.''

(f) Tribes and Alaska Native Village Corporations.—Subsection 6(b)(5) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §460l-8(b)(5)) is amended as follows:

(1) By inserting ''(A)'' after ''(5)''.

(2) By adding at the end the following new subparagraph:

''(B) For the purposes of paragraph (1), all federally recognized Indian tribes and Alaska Native Village Corporations (as defined in section 3(j) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(j)) shall be treated collectively as 1 State, and shall receive shares of the apportionment under paragraph (1) in accordance with a competitive grant program established by the Secretary by rule. Such rule shall ensure that in each fiscal year no single tribe or Village Corporation receives more than 10 percent of the total amount made available to all tribes and Village Corporations pursuant to the apportionment under paragraph (1). Funds received by an Indian tribe or Village Corporation under this subparagraph may be expended only for the purposes specified in paragraphs (1) and (3) of subsection (b).''

''(g) LOCAL ALLOCATION.—Subsection 6(b) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §460*l*–8(b)(5)) is amended by adding at the end the following new paragraph:

''(6) Absent some compelling and annually documented reason to the contrary acceptable to the Secretary, each State (other than an area treated as a State under paragraph (5)) shall make available as grants to local governments at least 50 percent of the annual State apportionment, or an equivalent amount made available from other sources.''

''(h) MATCH.—Subsection 6(c) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §460*l*–8(c)) is amended to read as follows:

''(c) MATCHING REQUIREMENTS.—Payments to any State shall cover not more than 50 percent of the cost of outdoor recreation and conservation planning, acquisition or development projects that are undertaken by the State.''

''(i) STATE ACTION AGENDA.—Subsection 6(d) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §460*l*–8(d)) is amended to read as follows:

''(d) STATE ACTION AGENDA REQUIRED.—Each State may define its own priorities and criteria for selection of outdoor recreation and conservation acquisition and development projects eligible for grants under this Act so long as it provides for public involvement in this process and publishes an accurate and current State Action Agenda for Community Recreation and Conservation indicating the needs it has identified and the priorities and criteria it has established. In order to assess its needs and establish its overall priorities, each State, in partnership with its local governments and Federal agencies, and in consultation with its citizens, shall develop a State Action Agenda for Community Recreation and Conservation, within five years of enactment, that meets the following requirements:

''(1) The agenda must be strategic, originating in broad-based and long-term needs, but focused on actions that can be funded over the next 4 years.

''(2) The agenda must be updated at least once every 4 years and certified by the Governor that the State Action Agenda for Community Recreation and Conservation conclusions and proposed actions have been considered in an active public involvement process.

''State Action Agenda for Community Recreation and Conservation shall take into account all providers of recreation and conservation lands within each State, including Federal, regional and local government resources and shall be correlated whenever possible with other State, regional, and local plans for parks, recreation, open space and wetlands conservation.

''Each State Action Agenda for Community Recreation and Conservation shall specifically address wetlands within that State as important outdoor recreation and conservation resources. Each State Action Agenda for Community Recreation and Conservation shall incorporate a wetlands priority plan developed in consultation with the State agency with responsibility for fish and wildlife resources which is consistent with that national wetlands priority conservation plan developed under section 301 of the Emergency Wetlands Resources Act.

''Recovery action programs developed by urban localities under section 1007 of the Urban Park and Recreation Recovery Act of 1978 shall be used by a State as one guide to the conclusions, priorities and action schedules contained in the State Action Agenda for Community Recreation and Conservation. Each State shall assure that any requirements for local outdoor recreation and conservation planning that are promulgated as conditions for grants minimize redundancy of local efforts by allowing, wherever possible, use of the findings, priorities, and implementation schedules of recovery action programs to meet such requirements.''

''(j) Comprehensive State Plans developed by any State under section 6(d) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §460*l*–8(d)) before the enactment of this Act shall remain in effect in that State until or State Action Agenda for Community Recreation and Conservation has been adopted pursuant to the amendment made by this subsection, but no later than 5 years after the enactment of this Act.

''(k) STATE PLANS.—Subsection 6(e) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §460*l*–8(e)) is amended—

(1) by striking ''State comprehensive plan'' at the end of the first paragraph and inserting ''State Action Agenda for Community Recreation and Conservation'';

(2) by striking ''State comprehensive plan'' in paragraph (1) and inserting ''State Action Agenda for Community Recreation and Conservation''; and

(3) by striking ''but not including incidental costs related to acquisition'' at the end of paragraph (1).

(l) CONVERSION.—Paragraph 6(f)(3) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §460*l*–8(f)(3)) is amended by striking the second sentence and inserting: ''With the exception of those properties that are no longer viable as an outdoor recreation and conservation facility due to changes in demographics or must be abandoned because of environmental contamination which endanger public health and safety, the Secretary shall approve such conversion only if the State demonstrates no prudent or feasible alternative exists. Any conversion must satisfy any conditions the Secretary deemed necessary to assure the substitution of other recreation and conservation properties of at least equal fair market value, or reasonably equivalent usefulness and location and which are in accord with the existing State Action Agenda for Community Recreation and Conservation: *Provided*, That wetland areas and interests therein as identified in the wetlands provisions of the action agenda and proposed to be acquired as suitable replacement property within that same State that is otherwise acceptable to the Secretary shall be considered to be of reasonably equivalent usefulness with the property proposed for conversion.''

(m) COST LIMITATIONS.—Section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. §460*l*–9) is amended by adding the following at the end thereof:

''(D) MAXIMUM FEDERAL COST PER PROJECT.—No expenditure shall be made to acquire any Federal land the cost of which exceeds $5,000,000 unless the funds for such acquisition have been specifically allocated to the acquisition in the report accompanying the legislation appropriating funds for the Federal agency concerned and such allocation has been approved by resolution adopted by the Committee on Resources of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate.''

SEC. 204. URBAN PARK AND RECREATION RECOVERY ACT OF 1978 AMENDMENTS.

(a) GRANTS.—Section 1004 of the Urban Park and Recreation Recovery Act (16 U.S.C. §2503) is amended by redesignating subsections (d), (e), and (f) as subsections (f), (g),

and (h) respectively, and by inserting the following after subsection (c):

''(d) 'development grants' means matching capital grants to local units of government to cover costs of development and construction on existing or new neighborhood recreation sites, including indoor and outdoor recreation facilities, support facilities, and landscaping, but excluding routine maintenance and upkeep activities;'';

''(e) 'acquisition grants' means matching capital grants to local units of government to cover the direct and incidental costs of purchasing new parkland to be permanently dedicated and made accessible for public recreation use;''.

(b) ELIGIBILITY.—Subsection 1005(a) of the Urban Park and Recreation Recovery Act (16 U.S.C. §2504) is amended to read as follows:

''(a) Eligibility of general purpose local governments to compete for assistance under this title shall be based upon need as determined by the Secretary. Generally, the list of eligible government shall include the following:

''(1) All central cities of Metropolitan, Primary or Consolidated Statistical Areas as currently defined by the census.

''(2) All political subdivisions included in Metropolitan, Primary or Consolidated Statistical Areas as currently defined by the census.

''(3) Any other city or town within a Metropolitan Area with a total population of 50,000 or more in the census of 1970, 1980 or 1990.

''(4) Any other county, parish or township with a total population of 250,000 or more in the census of 1970, 1980 or 1990.''

(c) MATCHING GRANTS.—Subsection 1006(a) of the Urban Park and Recreation Recovery Act (16 U.S.C. §2505(a)) is amended by striking all through paragraph (3) and inserting the following:

''SEC. 1006. (a) The Secretary is authorized to provide 70 percent matching grants for rehabilitation, innovation, development or acquisition purposes to eligible general purpose local governments upon his approval of applications therefor by the chief executives of such governments.

''(1) At the discretion of such applicants, and if consistent with an approved application, rehabilitation, innovation, development or acquisition grants may be transferred in whole or in part to independent special purpose local governments, private nonprofit agencies or county or regional park authorities; except that, such grantees shall provide assurance to the Secretary that they will maintain public recreation opportunities at assisted areas and facilities owned or managed by them in accordance with section 1010 of this Act.

''(2) Payments may be made only for those rehabilitation, innovation, development, or acquisition projects which have been approved by the Secretary. Such payments may be made from time to time in keeping with the rate of progress toward completion of a project, on a reimbursable basis.''.

(d) COORDINATION.—Section 1008 of the Urban Park and Recreation Recovery Act (16 U.S.C. §2507) is amended by striking the last sentence and inserting the following: ''The Secretary and general purpose local governments are encouraged to coordinate preparation of recovery action programs required by this title with State Action Agendas for Community Recreation and Conservation required by section 6 of the Land and Water Conservation Fund Act of 1965, including the allowance of flexibility in local preparation of recovery action programs so that they may be used to meet State or local qualifications for local receipt of Land and Water Conservation Fund grants or State grants for similar purposes or for other recreation or conservation purposes. The Secretary shall also encourage States to consider the findings, priorities, strategies and schedules included in the recovery action programs of their urban localities in preparation and updating of the State Action Agendas for Community Recreation and Conservation, in accordance with the public coordination and citizen consultation requirements of subsection 6(d) of the Land and Water Conservation Fund Act of 1965.''

(e) CONVERSION.—Section 1010 of the Urban Park and Recreation Recovery Act (16 U.S.C. §2509) is amended by striking the first sentence and inserting the following: ''No property acquired or improved or developed under this title shall, without the approval of the Secretary, be converted to other than public recreation uses. The Secretary shall approve such conversion only if the grantee demonstrates no prudent or feasible alternative exists (with the exception of those properties that are no longer a viable recreation facility due to changes in demographics or must be abandoned because of environmental contamination which endanger public health and safety). Any conversion must satisfy any conditions the Secretary deems necessary to assure the substitution of other recreation properties of at least equal fair market value, or reasonably equivalent usefulness and location and which are in accord with the current recreation recovery action program.''

(f) REPEAL.—Section 1014 of the Urban Park and Recreation Recovery Act (16 U.S.C. 2513) is repealed.

TITLE III—WILDLIFE CONSERVATION AND RESTORATION

SEC. 301. SHORT TITLE.

This title may be cited as the ''Wildlife Conservation and Restoration Act of 1998''.

SEC. 302. FINDINGS.

The Congress finds and declares that—

(1) a diverse array of species of fish and wildlife is of significant value to the Nation for many reasons: aesthetic, ecological, educational, cultural, recreational, economic, and scientific;

(2) it should be the objective of the United States to retain for present and future generations the opportunity to observe, understand, and appreciate a wide variety of wildlife;

(3) millions of citizens participate in outdoor recreation through hunting, fishing, and wildlife observation, all of which have significant value to the citizens who engage in these activities;

(4) providing sufficient and properly maintained wildlife associated recreational opportunities is important to enhancing public appreciation of a diversity of wildlife and the habitats upon which they depend;

(5) lands and waters which contain species classified neither as game nor identified as endangered or threatened also can provide opportunities for wildlife associated recreation and education such as hunting and fishing permitted by applicable State or Federal law;

(6) hunters and anglers have for more than 60 years willingly paid user fees in the form of Federal excise taxes on hunting and fishing equipment to support wildlife diversity and abundance, through enactment of the Federal Aid in Wildlife Restoration Act (commonly referred to as the Pittman-Robertson Act) and the Federal Aid in Sport Fish Restoration (commonly referred to as the Dingell-Johnson/Wallop-Breaux Act);

(7) State programs, adequately funded to conserve a broader array of wildlife in an individual State and conducted in coordination with Federal State, tribal, and private landowners and interested organizations, would continue to serve as a vital link in a nationwide effort to restore game and nongame wildlife, and the essential elements of such programs should include conservation measures which manage for a diverse variety of populations of wildlife; and

(8) it is proper for Congress to bolster and extend this highly successful program to aid game and nongame wildlife in supporting the health and diversity of habitat, as well as providing funds for conservation education.

SEC. 303. PURPOSES.

The purposes of this title are—

(1) to extend financial and technical assistance to the States under the Federal Aid to Wildlife Restoration Act for the benefit of a diverse array of wildlife and associated habitats, including species that are not hunted or fished, to fulfill unmet needs of wildlife within the States while recognizing the mandate of the States to conserve all wildlife;

(2) to assure sound conservation policies through the development, revision and implementation of wildlife associated recreation and wildlife associated education and wildlife conservation law enforcement;

(3) to encourage State fish and wildlife agencies to create partnerships between the Federal Government, other State agencies, wildlife conservation organizations, and outdoor recreation and conservation interests through cooperative planning and implementation of this title; and

(4) to encourage State fish and wildlife agencies to provide for public involvement in the process of development and implementation of a wildlife conservation and restoration program.

SEC. 304. DEFINITIONS.

(a) REFERENCE TO LAW.—In this title, the term ''Federal Aid in Wildlife Restoration Act'' means the Act of September 2, 1937 (16 U.S.C. 669 et seq.), commonly referred to as the Federal Aid in Wildlife Restoration Act or the Pittman-Robertson Act.

(b) WILDLIFE CONSERVATION AND RESTORATION PROGRAM.—Section 2 of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669a) is amended by inserting after ''shall be construed'' in the first place it appears the following: ''to include the wildlife conservation and restoration program and''.

(c) STATE AGENCIES.—Section 2 of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669a) is amended by inserting ''or State fish and wildlife department'' after ''State fish and game department''.

(d) CONSERVATION.—Section 2 is amended by striking the period at the end thereof, substituting a semicolon, and adding the following: ''the term 'conservation' shall be construed to mean the use of methods and procedures necessary or desirable to sustain healthy populations of wildlife including all activities associated with scientific resources management such as research, census, monitoring of populations, acquisition, improvement and management of habitat, live trapping and transplantation, wildlife damage management, and periodic or total protection of a species or population as well as the taking of individuals within wildlife stock or population if permitted by applicable State and Federal law; the term 'wildlife conservation and restoration program' shall be construed to mean a program developed by a State fish and wildlife department that the Secretary determines meets the criteria in section 6(d), the projects that constitute such a program, which may be implemented in whole or part through grants and contracts by a State to other State, Federal, or local agencies wildlife conservation organizations and outdoor recreation and conservation education entities from funds apportioned under this title, and maintenance of such projects; the term 'wildlife' shall be construed to mean any species of wild, free-

ranging fauna including fish, and also fauna in captive breeding programs the object of which is to reintroduce individuals of a depleted indigenous species into previously occupied range; the term 'wildlife-associated recreation' shall be construed to mean projects intended to meet the demand for outdoor activities associated with wildlife including, but not limited to, hunting and fishing, such projects as construction or restoration of wildlife viewing areas, observation towers, blinds, platforms, land and water trails, water access, trailheads, and access for such projects; and the term 'wildlife conservation education' shall be construed to mean projects, including public outreach, intended to foster responsible natural resource stewardship.''.

(e) 7 PERCENT.—Subsection 3(a) of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669b(a)) is amended in the first sentence by—

(1) inserting ''(1)'' after ''(beginning with the fiscal year 1975)''; and

(2) inserting after ''Internal Revenue Code of 1954'' the following: '', and (2) from 7 percent of the revenues, as that term is defined in the Conservation and Reinvestment Act of 1999,''.

SEC. 305. SUBACCOUNTS AND REFUNDS.

Section 3 of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669b) is amended by adding at the end the following new subsections:

''(c) A subaccount shall be established in the Federal aid to wildlife restoration fund in the Treasury to be known as the 'wildlife conservation and restoration account' and the credits to such account shall be equal to the 7 percent of revenues referred to in subsection (a)(2). Amounts in such account shall be invested by the Secretary of the Treasury as set forth in subsection (b) and shall be made available without further appropriation, together with interest, for apportionment at the beginning of fiscal year 2000 and each fiscal year thereafter to carry out State wildlife conservation and restoration programs.

''(d) Funds covered into the wildlife conservation and restoration account shall supplement, but not replace, existing funds available to the States from the sport fish restoration and wildlife restoration accounts and shall be used for the development, revision, and implementation of wildlife conservation and restoration programs and should be used to address the unmet needs for a diverse array of wildlife and associated habitats, including species that are not hunted or fished, for wildlife conservation, wildlife conservation education, and wildlife-associated recreation projects: *Provided*, That such funds may be used for new programs and projects as well as to enhance existing programs and projects.

''(e) Notwithstanding subsections (a) and (b) of this Act, with respect to the wildlife conservation and restoration account so much of the appropriation apportioned to any State for any fiscal year as remains unexpended at the close thereof is authorized to be made available for expenditure in that State until the close of the fourth succeeding fiscal year. Any amount apportioned to any State under this subsection that is unexpended or unobligated at the end of the period during which it is available for expenditure on any project is authorized to be reapportioned to all States during the succeeding fiscal year.

''(f) In those instances where through judicial decision, administrative review, arbitration, or other means there are royalty refunds owed to entities generating revenues available for purposes of this Act, 7 percent of such refunds shall be paid from amounts available under subsection (a)(2).''.

SEC. 306. ALLOCATION OF SUBACCOUNT RECEIPTS.

Section 4 of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669c) is amended by adding the following new subsection:

''(c)(1) Notwithstanding subsection (a), an amount, not to exceed 2 percent, of the revenues covered into the wildlife conservation and restoration account in each fiscal year as the Secretary of the Interior may estimate to be necessary for expenses in the administration and execution of programs carried out under the wildlife conservation and restoration account shall be deducted for that purpose, and such amount is authorized to be made available therefor until the expiration of the next succeeding fiscal year. Within 60 days after the close of such fiscal year, the Secretary of the Interior shall apportion any portion thereof as remains unexpended, if any, on the same basis and in the same manner as is provided under paragraphs (2) and (3).

''(2) The Secretary of the Interior, after making the deduction under paragraph (1), shall make the following apportionment from the amount remaining in the wildlife conservation and restoration account:

''(A) to the District of Columbia and to the Commonwealth of Puerto Rico, each a sum equal to not more than ½ of 1 percent thereof; and

''(B) to Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands, each a sum equal to not more than ⅙ of 1 percent thereof.

''(3) The Secretary of the Interior, after making the deduction under paragraph (1) and the apportionment under paragraph (2), shall apportion the remaining amount in the wildlife conservation and restoration account for each year among the States in the following manner:

''(A) ⅓ of which is based on the ratio to which the land area of such State bears to the total land area of all such States; and

''(B) ⅔ of which is based on the ratio to which the population of such State bears to the total population of all such States.

''The amounts apportioned under this paragraph shall be adjusted equitably so that no such State shall be apportioned a sum which is less than ½ of 1 percent of the amount available for apportionment under this paragraph for any fiscal year or more than 5 percent of such amount.''.

''(d) WILDLIFE CONSERVATION AND RESTORATION PROGRAMS.—Any State, through its fish and wildlife department, may apply to the Secretary for approval of a wildlife conservation and restoration program or for funds to develop a program, which shall—

''(1) contain provision for vesting in the fish and wildlife department of overall responsibility and accountability for development and implementation of the program; and

''(2) contain provision for development and implementation of—

''(A) wildlife conservation projects which expand and support existing wildlife programs to meet the needs of a diverse array of wildlife species,

''(B) wildlife associated recreation programs, and

''(C) wildlife conservation education projects.

If the Secretary of the Interior finds that an application for such program contains the elements specified in paragraphs (1) and (2), the Secretary shall approve such application and set aside from the apportionment to the State made pursuant to section 4(c) an amount that shall not exceed 90 percent of the estimated cost of developing and implementing segments of the program for the first 5 fiscal years following enactment of this subsection and not to exceed 75 percent thereafter. Not more than 10 percent of the amounts apportioned to each State from the subaccount for the State's wildlife conservation and restoration program may be used for law enforcement. Following approval, the Secretary may make payments on a project that is a segment of the State's wildlife conservation and restoration program as the project progresses but such payments, including previous payments on the project, if any, shall not be more than the United States pro rata share of such project. The Secretary, under such regulations as he may prescribe, may advance funds representing the United States pro rata share of a project that is a segment of a wildlife conservation and restoration program, including funds to develop such program. For purposes of this subsection, the term 'State' shall include the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.''.

(b) FACA.—Coordination with State fish and wildlife department personnel or with personnel of other State agencies pursuant to the Federal Aid in Wildlife Restoration Act or the Federal Aid in Sport Fish Restoration Act shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.). Except for the preceding sentence, the provisions of this title relate solely to wildlife conservation and restoration programs as defined in this title and shall not be construed to affect the provisions of the Federal Aid in Wildlife Restoration Act relating to wildlife restoration projects or the provisions of the Federal Aid in Sport Fish Restoration Act relating to fish restoration and management projects.

SEC. 307. LAW ENFORCEMENT AND PUBLIC RELATIONS.

The third sentence of subsection (a) of section 8 of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669g) is amended by inserting before the period at the end thereof: '', except that funds available from this subaccount for a State wildlife conservation and restoration program may be used for law enforcement and public relations''.

SEC. 308. PROHIBITION AGAINST DIVERSION.

No designated State agency shall be eligible to receive matching funds under this Act if sources of revenue available to it on January 1, 1998, for conservation of wildlife are diverted for any purpose other than the administration of the designated State agency, it being the intention of Congress that funds available to States under this Act be added to revenues from existing State sources and not serve as a substitute for revenues from such sources. Such revenues shall include interest, dividends, or other income earned on the foregoing.

Mr. MURKOWKSI. Mr. President, I rise today, along with a bipartisan group of Senators, to introduce the Conservation and Reinvestment Act of 1999.

This important piece of legislation remedies a tremendous inequity in the distribution of revenues generated by offshore oil and gas production by directing that a portion of those moneys be allocated to coastal States and communities who shoulder the responsibility for energy development activity off their coastlines. It also provides a secure funding source for state recreation and wildlife conservation programs.

By reinvesting revenues from offshore oil and gas production into a variety of important conservation, recreation and environmental programs,

this bill will rededicate the Federal government to a partnership with state and local governments to meet the demands of all Americans for outdoor experiences. In addition, it reaffirms the original premise of the Land and Water Conservation Fund that a portion of the revenues obtained by the Federal government from the development of our natural resources should be reinvested into the outdoor recreation and natural resource estate of the Nation.

This bill is the start of a process. It is a bipartisan bill. And, like any bipartisan bill reflects choices and compromises. It contains provisions which need to be examined in detail as the legislative process moves forward. I also anticipate a series of amendments from both sides of the aisle to the bill. I know there are amendments I intend to offer to make this bill a better bill for my constituents. That is what the legislative process is all about. As Chairman of the Senate Committee on Energy and Natural Resources, I promise to devote the time necessary to flesh these issues out and to give all parties which have interest in this bill an opportunity to be heard. This bill warrants nothing less.

Title 1 of the bill, which provides for coastal impact assistance, is similar to legislation I have introduced in prior Congresses and is an issue I have worked on for my entire Senate career.

Title 1 is based on a Minerals Management Service advisory committee report. It directs that 27 percent of the revenues generated from oil and natural gas production on the Outer Continental Shelf—or OCS—be returned to coastal States and communities that share the burdens of exploration and production off their coastlines. Offshore oil and gas production generates $3 to $4 billion in revenues annually for the U.S. Treasury. Yet, unlike mineral receipts from onshore Federal lands, OCS oil and gas revenues are not directly returned to the States in which production occurs.

This legislation remedies this disparity. States and communities that bear the responsibilities for offshore oil and gas production will finally share in its benefits. This legislation would, for the first time, share revenues generated by OCS oil and gas activities with counties, parishes and boroughs—the local governmental entities most directly affected—and State governments.

The bill also acknowledges that all coastal States, including those States bordering the Great Lakes, have unique needs and directs that a portion of OCS revenues be shared with these States, even if no OCS production occurs off their coasts. Coastal States and communities can use OCS Impact Assistance funds on everything from environmental programs, to coastal and marine conservation efforts, to new infrastructure requirements.

In Alaska, Boroughs could use OCS funds to participate in the environmental planning process required by Federal laws before OCS development occurs. Other rural coastal communities in Alaska could use the money for sanitation improvements. While still others, like Unalakleet, may use the money to construct sea walls and breakwaters or beach rehabilitation—efforts which will combat the impacts of coastal erosion. Further, as the Federal OCS program expands in Alaska, this legislation will mean even more revenues to the State, boroughs and local communities.

This is a true investment in the future. This is money that will be used, day-in and day-out, to improve the quality of life of coastal State residents—money which come from oil and gas production.

As Chairman of the Energy and Natural Resources Committee, I know all too well that offshore oil and gas production is a lightning rod of environmental groups who will go to great lengths to disparage an activity that is vital to the long-term energy and economic security of this country. These groups will likely say that this bill creates incentives for offshore oil and gas production because a factor in the distribution formula is a State's proximity to OCS production.

Let us remember, this is an impact assistance bill—revenue sharing, if you will. States only will have impacts if they have production. The States with production, obviously, have greater needs and are most deserving of a large share of OCS revenues.

Mr. President, let me also remind everyone, that OCS production only occurs off the coasts of 6 States—yet the bill shares OCS revenues with 34 States. There are 28 coastal States that will get a share of OCS revenues which have no OCS production. In fact, in all areas except the Gulf of Mexico and Alaska there is a moratorium prohibiting *any* new OCS production.

It is the long-term best interest of this country to support responsible and sustainable development of nonrenewable resources. We now import more than 50 percent of our domestic petroleum requirements and the Department of Energy's Information Administration predicts, in ten years, America will be at least 64 percent dependent on foreign oil. OCS development will play an important role in offsetting even greater dependence on foreign energy.

The OCS accounts for 24 percent of this Nation's natural gas production and 14 percent of its oil production. We need to ensure that the OCS continues to meet our future domestic energy needs.

I firmly believe that the Federal government needs to do all it can to pursue and encourage further technological advances in OCS exploration and production. These technological achievements have and will continue to result in new OCS production having an unparalleled record of excellence on environmental and safety issues. Additional technological advances with appropriate incentives will further improve new resource recovery and therefore increase revenues to the Treasury for the benefit of all Americans who enjoy programs funded by OCS money.

I will do all I can to ensure a healthy OCS program, including new OCS development in the Arctic. A number of challenges face new developments in this area—I am confident that we can work through them all. History has shown us that in the Arctic, and in other OCS areas, development and the environmental protection are compatible.

This bill also takes a portion of the revenues received by the Federal government from OCS development and invests it in conservation and wildlife programs. Thus, Titles 2 and 3 of the bill share OCS revenues with ALL States for these purposes.

Title 2 of this bill provides a secure source of funding for the Land and Water Conservation Fund. The LWCF was established over three decades ago to provide Federal money for State and Federal land acquisition and help meet Americans recreation needs.

Over thirty years ago, Congress had the foresight to recognize the ever growing need of the American public for parks and recreation facilities with the passage of the Land and Water Conservation Fund Act. That landmark piece of legislation was premised on the belief that revenues earned from the depletion of a nonrenewable resource need to be reinvested in a renewable resource for the benefit of future generations. This rationale is as valid today as it was in the mid-1960s.

To accomplish this goal, the Land and Water Conservation Fund Act directs that revenues earned from offshore oil and gas production should be spent on the acquisition of Federal recreation lands by the land management agencies. The Act also creates a state-side matching grant program.

The state-side matching grant program provides 50–50 matching grants to States and local communities for the acquisition and construction of park and recreation facilities. The state-side program has a truly unique legacy in the history of American conservation by providing the States with a leadership role in the provision of recreation opportunities. Through the 1995 Fiscal Year, over 3.2 billion in Federal dollars have been leveraged to fund over 37 thousand state and local park and recreation projects.

Yet, despite these successes, the President had not requested any money for the state-side program for the last four years. This is a program supported by this Nation's mayors, Governors, and the recreation community. The state-side matching grant should not have to justify annually its existence with Congressional appropriators.

The same can be said of the Urban Park and Recreation Recovery program established by Congress in 1978. UPAR provides Federal funds to distressed urban areas to rehabilitate and construct recreation facilities.

Together, these programs strived to create a national system of parks that

would, day-in and day-out, meet the recreation and open-space demands of the American public. Title 2 recognizes the value of the state-side LWCF matching grant program and the UPAR program by providing them with the stable source of funding they have been lacking.

I also want to mention the money this bill provides for Federal land acquisition. To many westerners, including myself, the Federal government already owns too much land. In my state of Alaska, the four Federal land management agencies alone manage more than 60 percent of all the acreage in the State.

Nonetheless, the demand for Federal land acquisition dollars is significant. The four Federal land management agencies have identified more than 45 million acres of privately owned lands lying within the boundaries of Federal land management units, including national parks, national forests, and national wildlife refuges. Many of these inholders, who want to sell, have been waiting for decades to receive compensation from the Federal government for their property. In many instances these landowners must suffer with restrictions on access to and use of their lands while they wait endlessly for the funds to compensate them for their land.

In recognition of these competing propositions regarding Federal ownership, the bill tries to reach a balance. It provides money for Federal land acquisition. However, limitations are placed on its expenditure. First, Federal land acquisition money available under this bill only could be used to purchase lands within the boundaries of conservation areas established by an Act of Congress. Second, such lands only could be purchased from willing sellers. That is, the Federal land acquisition money available under this bill could not be used to condemn any property. The use of eminent domain is explicitly foreclosed. Third, three-quarters of the money must be spent on land acquisition east of the 100th meridian (east of Texas). These provisions are more restrictive than the current law regarding the use of LWCF moneys for Federal land acquisitions.

I know that there are many who are not happy with this compromise. I cannot say I am happy totally with it. I do not think it provides adequate protections for the roles and responsibilities of the authorizing and appropriations committees. I can pledge that this will be an issue subject to discussions on the Energy and Natural Resources Committee. Under our Constitutional system of government, Congress has the plenary authority over Federal lands and appropriations. I believe that the historic role of Congress is setting the priorities for land acquisition should be preserved. Certainly, the President should set forth his preferences, as he does now, but in the final analysis the Congress should approved any expenditure.

Title 3 of this bill provides funding for State fish and wildlife conservation programs. In Alaska, with its unparalleled natural beauty, fishing and hunting are two of the most popular forms of outdoor recreation. The bill directs that a portion of OCS revenues should go to the State for wildlife purposes.

The money would be distributed through the Pittman-Robertson program administered by the United States Fish and Wildlife Service. This money could be used for both game and non-game wildlife. With the inclusion of OCS revenues, the amount of money available for state fish and game programs would nearly double.

This is a no-tax alternative to the ''Teaming with Wildlife'' proposal. States will be able to use these moneys to increase fish and wildlife populations and improve fish and wildlife habitat. States also could use the money for wildlife education programs.

The bill creates a new subaccount, under Pittman-Robertson, called the Wildlife Conservation and Restoration account. The money in this account, from OCS revenues, will provide the funding needed to move the conservation community beyond the debate over game versus non-game funding. States will have the flexibility on deciding how to spend these funds to meet the conservation demands of all their residents.

I am proud of this proposal which will be a win-win for the oil and gas industry, the States, environmental and conservation groups, and all Americans.

I know it will be a win-win for Alaskans. Alaska is projected to receive more than $130 million annually from this proposal. In Fiscal Year 2000, Alaska would receive approximately $110 million in OCS Impact Assistance. Of this total, the State would receive $44 million as would coastal communities within 200 miles of an OCS lease including the North Slope Borough, Barrow, and Kaktovik. Other coastal communities, not near an OCS lease, like Valdez and Homer, would receive $22 million. These funds could be used for infrastructure, including sanitation improvements and safe roads, coastal erosion projects, and environmental protection programs. Title 2 and 3 of the bill provide an additional $21 million for state and local park, recreation, and wildlife conservation programs.

These funds are sorely needed to meet the needs of the communities in Alaska and the skyrocketing public demand for wildlife and outdoor recreation programs and facilities within the State. Given this demand, I have received letters of support from throughout Alaska, including the cities of Barrow, Cordova, Soldotna, Haines, Sitka, Kotzebue and the Kodiak Island Burrough.

This bill is far from perfect but it is a step to ensuring not only that Coastal States have money to address the effects of OCS-activities but that all States have funds necessary to provide outdoor recreation and conservation resources for all of us to enjoy.

As we begin the 106th Congress, I can pledge, as Chairman of the Energy and Natural Resources Committee, that the enactment of this bill will be one of my highest priorities this year. I intend to hold a series of hearings on the bill to examine, in detail, its provisions. In closing, I encourage not only the members of the Senate but also all Americans to support this important and exciting piece of conservation legislation.

Mr. SESSIONS. Mr. President, today I join my colleagues, Senators, MURKOWSKI and LANDRIEU in introducing the bipartisan ''Conservation and Re-Investment Act of 1999''. The Conservation and Re-Investment Act will serve to provide dedicated funding for the Land and Water Conservation Fund, wildlife enhancement programs and urban parks development by redirecting a portions of the royalty revenues derived from Outer Continental Shelf oil and gas production. In addition, this bill will redirect a portion of Outer Continental Shelf royalties directly back to coastal states which have been impacted by Outer Continental Shelf oil and gas production in order to assist those states in restoring and preserving air quality, water quality, wetlands, estuaries and other coastal resources and environments impacted by Outer Continental Shelf oil and gas production.

This bill will allow coastal states to create trust funds, the revenues of which can be used in perpetuity for such purposes as environmental protection, conservation, water quality and public land purchases. Recognizing the boom and bust nature of oil and gas production, Alabama long ago created a protected trust fund from the oil and gas royalties it receives from development off its' coast. The revenues derived from the investment this fund have been used by the state to fund popular wildlife conservation programs and the state's ''Forever Wild'' program. These programs have permitted the state to make land purchases to create and expand Alabama's park system and to help create additional outdoor recreation opportunities for its citizens. It is my hope that this bill will create the conduit for other states and the federal government to follow the example set by my home state of Alabama. While the revenues derived from this fund will be limited to the goals of the Conservation and Re-Investment Act, a prudent coastal state must consider this option to guard against the boom and bust nature of the oil and gas business.

Mr. President, this bill will go a long way towards protecting the environment and increasing conservation in coastal states and the entire nation by creating a dedicated funding mechanism to fulfill these goals. We, along with future generations, will benefit greatly from this legislation. I look forward to working with my colleagues

to craft a bill which can continue to enjoy bi-partisan support and be passed into law.

Mr. LOTT. Mr. President, it is with great pleasure that I join my colleagues, Senators LANDRIEU, MURKOWSKI and SESSIONS, in introducing the Reinvestment and Environmental Restoration Act.

Mr. President, since the inception of the oil and gas program on the Outer Continental Shelf (OCS), States and coastal communities have sought a greater share of the benefits from development. And why shouldn't they? These communities provide the infrastructure, public services, manpower and support industries necessary to sustain this development.

Currently, the majority of OCS revenues are funneled into the Federal Treasury where they are used to pay for various Federal programs and to reduce the deficit. While funding programs and reducing the deficit is certainly important, I believe that some percentage of the revenues should be reinvested in the affected region.

Our bill does just that. The Reinvestment and Environmental Restoration Act diverts one-half of the OCS revenues from the Federal Treasury to coastal States and communities for a multitude of programs: air and water quality monitoring, wetlands protection, coastal restoration and shoreline protection, land acquisition, infrastructure, public service needs, State park and recreation programs and wildlife conservation.

This bill allows States and communities to use these funds. These States will effectively use the funds for local needs. In Pascagoula, for example, authorities might choose to restore and secure the shoreline where years of sea traffic have taken their toll. Further north in Vancleave, they may choose instead to refurbish the roads and bridges that carry the heavy machinery coming and going from the coast. This bill provides a framework within which these localities can make the right decisions for their citizens and their environment.

Mr. President, I have been working on this issue for many, many years. As a ''coast dweller myself,'' I know the impact that the oil and gas industry can have on communities and the importance of reinvestment in these areas. This is not to say that the industry mistreats the States; on the contrary, they work very hard to comply with stringent environmental regulations and to take care of the community as best they can. The OCS Policy Committee said in 1993 that, despite the oil industry's best efforts, ''OCS development still can affect community infrastructure, social services and the environment in ways that cause concerns among residents of the coastal States and communities.''

I know that there is no way to totally eliminate this impact on coastal communities. I also know that, while the benefits of a healthy OCS program are felt nationally, the infrastructure, environmental and social costs are felt locally. Our bill would put money back into the communities that need it most.

It would also put money back into the environmental resources of the area. Exploration for non-renewable resources and stewardship of coastal resources are not mutually exclusive, but must be carefully balanced for both to be sustained. It is important that wetlands, fisheries and water resources are taken into consideration. Affordable adequate protection is possible.

In addition to supporting up the States and coastal communities, our bill also provides funding for the Land and Water Conservation Fund (LWCF). More than 30 years ago, Congress set up this fund to address the American public's desire for more parks and recreational facilities. This bill makes the program self-sufficient, providing a secure funding source from the OCS revenues. This is an investment in our future—our land, our natural resources and our recreational enjoyment.

Mr. President, our bill makes yet another investment with these OCS revenues—an investment in fish and wildlife programs. With the inclusion of OCS revenues, the amount of money available for State programs would nearly double. This is money that can be used to increase fish and wildlife populations and habitats. It could even be used for wildlife education programs.

Mr. President, this bill was carefully crafted to strike a balance between the needs and interests of the oil and gas industry, the States, and the environmental and conservation groups. It's a good package that will benefit all Americans, not just those who live and work in coastal areas. It will benefit hunters and anglers. It will benefit bird watchers and campers. It will benefit all Americans who take solace in the fact that the oil industry is taking care of the communities that support it.

I appreciate the hard work of my colleagues and look forward to advancing this important legislation in the 106th Congress.

By Mr. MCCAIN (for himself, Mr. FEINGOLD, Mr. THOMPSON, Mr. LEVIN, Ms. COLLINS, Mr. LIEBERMAN, Ms. SNOWE, Mr. WELLSTONE, Mr. JEFFORDS, Mr. DURBIN, Mr. SCHUMER, Mr. REID, Mr. BRYAN, Mr. SARBANES, Mr. ROBB, Mr. DORGAN, Mr. MOYNIHAN, Mr. KERRY, Mr. KERREY, Mr. CLELAND, Mr. LEAHY, Mr. BAYH, Mrs. FEINSTEIN, Mrs. BOXER, Mr. HOLLINGS, Mr. GRAHAM, Mr. JOHNSON, and Mr. CHAFEE):

S. 26. A bill entitled the ''Bipartisan Campaign Reform Act of 1999''; to the Committee on Rules and Administration.

BIPARTISAN CAMPAIGN REFORM ACT OF 1999

Mr. FEINGOLD. Mr. President, the American campaign finance system is manifestly corrupt. So we are back. And here we will return until America's citizens regain dominion over their government. It is my great pleasure to join Sen. JOHN MCCAIN to once again introduce a bipartisan campaign finance reform bill in the United States Senate. This is the third Congress in which we have taken up this fight together. I want to thank my friend and colleague Senator MCCAIN for his tireless devotion to this issue and his continued willingness to defy the leadership of his party to press it. It will take great effort to achieve consensus and pass this legislation. But I truly do believe that we can make a breakthrough this year, and the reintroduction of the McCain-Feingold bill is the first step toward making that happen.

Mr. President, our democracy is sick. The corrupting influence of big money is taking a daily toll on our work here in the Congress and on the confidence of the American people in our ability to do that work fairly and in their interests. The future of our country is truly at stake in this fight for reform, and that is why, despite the setbacks we have suffered in the last two Congress, despite our inability in the last two Congresses to overcome filibusters by a minority of this body, we are back on the floor today. On the first day that bills can be introduced in the United States Senate, I am here to serve notice that reform is at the top of the list of things that we must do in this Congress. And I commit to the American people, and to my constituents in Wisconsin who reelected me to do precisely this job, that I will fight for reform throughout this year and the next year, if need be, until we win.

Let me take a moment, Mr. President, to review what the McCain-Feingold bill tries to accomplish. First and foremost, we ban soft money—the unlimited contributions that corporate, labor, and very wealthy individual donors can now give to the political parties. We must bring back some sanity to the campaign finance system by making the parties and donors live once again within the rules that the Congress passed back in the 1970's after the Watergate era. Perhaps some of those rules need to be updated, but throwing the rules out is not an option. The potential for corruption of our legislative process is too great. I will return to the issue of prohibiting soft money in a moment, because it is central to the goals of our bill.

Mr. President, this bill also includes the amendment dealing with abuses of ''issue advocacy'' proposed by Senator SNOWE of Maine and Senator JEFFORDS of Vermont and adopted by the Senate last year during debate on our bill. The Snowe-Jeffords amendment is a balanced approach to the ''phony issue ad'' problem that prohibits corporations and unions from purchasing television and radio advertisements within the last 2 months of a campaign if those ads refer to a clearly identified candidate. It is designed to prevent

corporate and union treasury money, which has been banned from federal elections since early in this century, from making its way back into the elections in the form of advertisements that pretend to be about issues, but instead are about elections.

Advocacy groups, on the other hand, are permitted to purchase what the bill calls ''electioneering communications,'' as long as they disclose their expenditures and the major donors to the effort and take steps to prevent the use of corporate and union treasury money for the ads. Mr. President, we worked long and hard to perfect this amendment last year, to make sure that it is constitutional, and that it will be effective in combating what has become a very serious subterfuge engaged in by entities that plainly want to influence elections but don't want to abide by the election laws. It is a crucial piece of the campaign finance reform puzzle, and we are proud to have the support of Senators SNOWE and JEFFORDS for our effort and to include their proposal in our bill.

The McCain-Feingold bill also takes a further step in addressing the spending of unions in elections by codifying the so-called Beck decision. Under our bill, non-union members who are required to pay agency fees to unions under their state laws will be able to demand an accounting of the use of their fees, and to prevent those fees from being spent for electoral purposes. This provision does not go as far as some of our colleagues might like, but it is a fair and balanced provision that recognizes the need to tread lightly on this issue to maintain bipartisan support for the bill.

The bill also contains important provisions designed to improve enforcement and disclosure under our campaign finance laws. It requires electronic filing and posting of campaign finance information on the Internet to make sure that the public can quickly and easily determine who the major contributors are to candidates and parties. It doubles the penalties for ''knowing and willful'' violations of Federal election laws. It provides for more timely disclosure of independent expenditures. It requires campaigns to collect all required contributor information before depositing checks. And it permits the FEC to conduct random audits at the end of a campaign to ensure compliance with the Federal election laws.

Our bill also requires political advertisements to carry a disclaimer identifying who is responsible for the content of the campaign ad; and it bars Members of Congress from sending out taxpayer-financed franked mass mailings during the calendar year of their election.

It also addresses two important areas where we have learned in the past few years that the law is simply not clear enough or strong enough. Our bill makes it clear that it is unlawful to raise or solicit campaign contributions on Federal property, including the White House and the congressional office buildings. And it makes it clear that contributions from foreign governments and foreign nationals are prohibited in Federal, State and local elections, including donations of soft money.

Mr. President, this fight is a fight for the soul and the survival of our American democracy. This democracy cannot survive without the confidence of the people in the integrity of the legislative and the electoral process. The prevalence—no—the dominance—of money in our system of elections and our legislature will in the end cause them to crumble. If we don't take steps to clean up this system it ultimately will consume us along with our finest American ideals.

We are now engaged in an historic impeachment trial, in which we are asked to determine as jurors whether the President has committed ''high crimes and misdemeanors'' and should be removed from office. The American people are divided on this question.

But the American people do think it's a crime that the tobacco companies can use money to block a bill to curtail teen smoking. They do think it's a crime that insurance companies can use money to block desperately needed health care reform. They do think it's a crime that telecommunication companies use money to force a bill through Congress that's supposed to increase competition and decrease prices, but leads to cable rates that keep on rising and rising. And they do think it's a crime that corporations and unions are able to give unlimited soft money contributions to the political parties to advance their narrow special interests.

They think it's a crime. But here in Washington it is business as usual—until we manage to pass meaningful campaign finance reform.

Let me be clear Mr. President, I'm not suggesting that any individual Member of Congress is corrupt. I don't know that any Member of this body has ever traded a vote for a contribution. But while Members are not corrupt, the system is riddled with corruption. It is only human to want to help those who have helped you get elected or reelected, to agree to the meeting, to take the phone call, to allow the opportunity to be persuaded by those who have given money. It is true of the parties, and it is true of the Members, even those who seek always to cast their votes on the merits. The result is that people who don't have money don't get heard. And in the end, those who get heard get their way.

Mr. President, as you know, I won a very hard fought campaign last year in which soft money and issue ads and campaign spending were much discussed issues. I learned a lot from that campaign, and my experience has made me even more certain that the system we now live under must be changed and can be changed.

As we once again take up this charge, I can tell you how enjoyable and rewarding it can be to run a campaign where endless fundraising is not part of your daily routine. And how it is possible to run a decent campaign without getting down in this soft money swamp.

Mr. President, we don't need to point fingers at one another, we just have to rise above politics and do the right thing by the American people. We must clean up our own house, Mr. President. We cannot continue to ignore the corruption in our midst, the cancer that is eating the heart out of the great American compact of trust and faith between the people and their elected representatives.

We know that unlimited soft money contributions make a mockery of our election laws and threaten the fairness of the legislative process. We know that phony issue ads paid for with unlimited corporate and union funds undermine the ability of citizens to understand who is bankrolling the candidates and why. We can find bipartisan solutions to these problems that respect all legitimate First Amendment rights if we are willing to put partisan political advantage aside and sit down and work it out.

Senator MCCAIN and I are ready—we have been ready ever since we introduced our bill—to make changes to our bill that will bring new supporters on board and get us past the 60 vote threshold that the Senate rules have placed in our way, so long as we stay true to the goal of a cleaner, fairer, system in which money will no longer dominate.

We will all be proud of the results if we can do that Mr. President. And the American people will be proud of us. So I look forward to working with Senator MCCAIN and will all my colleagues who want to give the American people a campaign finance system that will protect and nurture our democracy as we enter the 21st century.

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

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

S. 26

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

SEC. 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Bipartisan Campaign Reform Act of 1999''.

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

Sec. 1. Short title; table of contents.

TITLE I—REDUCTION OF SPECIAL INTEREST INFLUENCE

Sec. 101. Soft money of political parties.
Sec. 102. Increased contribution limits for State committees of political parties and aggregate contribution limit for individuals.
Sec. 103. Reporting requirements.

TITLE II—INDEPENDENT AND COORDINATED EXPENDITURES
Subtitle A—Electioneering Communications
Sec. 201. Disclosure of electioneering communications.
Sec. 202. Coordinated communications as contributions.
Sec. 203. Prohibition of corporate and labor disbursements for electioneering communications.
Subtitle B—Independent and Coordinated Expenditures
Sec. 211. Definition of independent expenditure.
Sec. 212. Civil penalty.
Sec. 213. Reporting requirements for certain independent expenditures.
Sec. 214. Independent versus coordinated expenditures by party.
Sec. 215. Coordination with candidates.
TITLE III—DISCLOSURE
Sec. 301. Filing of reports using computers and facsimile machines; filing by Senate candidates with Commission.
Sec. 302. Prohibition of deposit of contributions with incomplete contributor information.
Sec. 303. Audits.
Sec. 304. Reporting requirements for contributions of $50 or more.
Sec. 305. Use of candidates' names.
Sec. 306. Prohibition of false representation to solicit contributions.
Sec. 307. Soft money of persons other than political parties.
Sec. 308. Campaign advertising.
TITLE IV—PERSONAL WEALTH OPTION
Sec. 401. Voluntary personal funds expenditure limit.
Sec. 402. Political party committee coordinated expenditures.
TITLE V—MISCELLANEOUS
Sec. 501. Codification of Beck decision.
Sec. 502. Use of contributed amounts for certain purposes.
Sec. 503. Limit on congressional use of the franking privilege.
Sec. 504. Prohibition of fundraising on Federal property.
Sec. 505. Penalties for knowing and willful violations.
Sec. 506. Strengthening foreign money ban.
Sec. 507. Prohibition of contributions by minors.
Sec. 508. Expedited procedures.
Sec. 509. Initiation of enforcement proceeding.
TITLE VI—SEVERABILITY; CONSTITUTIONALITY; EFFECTIVE DATE; REGULATIONS
Sec. 601. Severability.
Sec. 602. Review of constitutional issues.
Sec. 603. Effective date.
Sec. 604. Regulations.

TITLE I—REDUCTION OF SPECIAL INTEREST INFLUENCE

SEC. 101. SOFT MONEY OF POLITICAL PARTIES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:

''SEC. 323. SOFT MONEY OF POLITICAL PARTIES.

''(a) NATIONAL COMMITTEES.—

''(1) IN GENERAL.—A national committee of a political party (including a national congressional campaign committee of a political party) and any officers or agents of such party committees, shall not solicit, receive, or direct to another person a contribution, donation, or transfer of funds, or spend any funds, that are not subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) APPLICABILITY.—This subsection shall apply to an entity that is directly or indirectly established, financed, maintained, or controlled by a national committee of a political party (including a national congressional campaign committee of a political party), or an entity acting on behalf of a national committee, and an officer or agent acting on behalf of any such committee or entity.

''(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

''(1) IN GENERAL.—An amount that is expended or disbursed by a State, district, or local committee of a political party (including an entity that is directly or indirectly established, financed, maintained, or controlled by a State, district, or local committee of a political party and an officer or agent acting on behalf of such committee or entity) for Federal election activity shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) FEDERAL ELECTION ACTIVITY.—

''(A) IN GENERAL.—The term 'Federal election activity' means—

''(i) voter registration activity during the period that begins on the date that is 120 days before the date a regularly scheduled Federal election is held and ends on the date of the election;

''(ii) voter identification, get-out-the-vote activity, or generic campaign activity conducted in connection with an election in which a candidate appears on the ballot (regardless of whether a candidate for State or local office also appears on the ballot); and

''(iii) a communication that refers to a clearly identified candidate (regardless of whether a candidate for State or local office is also mentioned or identified) and is made for the purpose of influencing a Federal election (regardless of whether the communication is express advocacy).

''(B) EXCLUDED ACTIVITY.—The term 'Federal election activity' does not include an amount expended or disbursed by a State, district, or local committee of a political party for—

''(i) campaign activity conducted solely on behalf of a clearly identified candidate for State or local office, if the campaign activity is not a Federal election activity described in subparagraph (A);

''(ii) a contribution to a candidate for State or local office, if the contribution is not designated or used to pay for a Federal election activity described in subparagraph (A);

''(iii) the costs of a State, district, or local political convention;

''(iv) the costs of grassroots campaign materials, including buttons, bumper stickers, and yard signs, that name or depict only a candidate for State or local office;

''(v) the non-Federal share of a State, district, or local party committee's administrative and overhead expenses (but not including the compensation in any month of an individual who spends more than 20 percent of the individual's time on Federal election activity) as determined by a regulation promulgated by the Commission to determine the non-Federal share of a State, district, or local party committee's administrative and overhead expenses; and

''(vi) the cost of constructing or purchasing an office facility or equipment for a State, district or local committee.

''(c) FUNDRAISING COSTS.—An amount spent by a national, State, district, or local committee of a political party, by an entity that is established, financed, maintained, or controlled by a national, State, district, or local committee of a political party, or by an agent or officer of any such committee or entity, to raise funds that are used, in whole or in part, to pay the costs of a Federal election activity shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

''(d) TAX-EXEMPT ORGANIZATIONS.—A national, State, district, or local committee of a political party (including a national congressional campaign committee of a political party), an entity that is directly or indirectly established, financed, maintained, or controlled by any such national, State, district, or local committee or its agent, and an officer or agent acting on behalf of any such party committee or entity shall not solicit any funds for, or make or direct any donations to, an organization that is described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code (or has submitted an application to the Secretary of the Treasury for determination of tax-exemption under such section).

''(e) CANDIDATES.—

''(1) IN GENERAL.—A candidate, individual holding Federal office, or agent of a candidate or individual holding Federal office shall not solicit, receive, direct, transfer, or spend funds in connection with an election for Federal office, including funds for any Federal election activity, unless the funds are subject to the limitations, prohibitions, and reporting requirements of this Act.

''(2) EXCEPTIONS.—

''(A) STATE LAW.—Paragraph (1) does not apply to the solicitation or receipt of funds by an individual who is a candidate for a State or local office in connection with such election for State or local office if the solicitation or receipt of funds is permitted under State law for any activity other than a Federal election activity.

''(B) FUNDRAISING EVENTS.—Paragraph (1) does not apply in the case of a candidate who attends, speaks, or is a featured guest at a fundraising event sponsored by a State, district, or local committee of a political party.''.

SEC. 102. INCREASED CONTRIBUTION LIMITS FOR STATE COMMITTEES OF POLITICAL PARTIES AND AGGREGATE CONTRIBUTION LIMIT FOR INDIVIDUALS.

(a) CONTRIBUTION LIMIT FOR STATE COMMITTEES OF POLITICAL PARTIES.—Section 315(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended—

(1) in subparagraph (B), by striking ''or'' at the end;

(2) in subparagraph (C)—

(A) by inserting ''(other than a committee described in subparagraph (D))'' after ''committee''; and

(B) by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(D) to a political committee established and maintained by a State committee of a political party in any calendar year that, in the aggregate, exceed $10,000''.

(b) AGGREGATE CONTRIBUTION LIMIT FOR INDIVIDUAL.—Section 315(a)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(3)) is amended by striking ''$25,000'' and inserting ''$30,000''.

SEC. 103. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 213) is amended by adding at the end the following:

''(f) POLITICAL COMMITTEES.—

''(1) NATIONAL AND CONGRESSIONAL POLITICAL COMMITTEES.—The national committee of a political party, any national congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period.

''(2) OTHER POLITICAL COMMITTEES TO WHICH SECTION 323 APPLIES.—A political committee (not described in paragraph (1)) to which section 323(b)(1) applies shall report all receipts

and disbursements made for activities described in subparagraphs (A) and (B)(v) of section 323(b)(2).

''(3) ITEMIZATION.—If a political committee has receipts or disbursements to which this subsection applies from any person aggregating in excess of $200 for any calendar year, the political committee shall separately itemize its reporting for such person in the same manner as required in paragraphs (3)(A), (5), and (6) of subsection (b).

''(4) REPORTING PERIODS.—Reports required to be filed under this subsection shall be filed for the same time periods required for political committees under subsection (a).''.

(b) REPEAL OF BUILDING FUND EXCEPTION TO THE DEFINITION OF CONTRIBUTION.—Section 301(8)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)) is amended—

(1) by striking clause (viii); and

(2) by redesignating clauses (ix) through (xiv) as clauses (viii) through (xiii), respectively.

TITLE II—INDEPENDENT AND COORDINATED EXPENDITURES

Subtitle A—Electioneering Communications

SEC. 201. DISCLOSURE OF ELECTIONEERING COMMUNICATIONS.

Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) is amended by adding at the end the following new subsection:

''(d) ADDITIONAL STATEMENTS ON ELECTIONEERING COMMUNICATIONS.—

''(1) STATEMENT REQUIRED.—Every person who makes a disbursement for electioneering communications in an aggregate amount in excess of $10,000 during any calendar year shall, within 24 hours of each disclosure date, file with the Commission a statement containing the information described in paragraph (2).

''(2) CONTENTS OF STATEMENT.—Each statement required to be filed under this subsection shall be made under penalty of perjury and shall contain the following information:

''(A) The identification of the person making the disbursement, of any entity sharing or exercising direction or control over the activities of such person, and of the custodian of the books and accounts of the person making the disbursement.

''(B) The State of incorporation and the principal place of business of the person making the disbursement.

''(C) The amount of each disbursement during the period covered by the statement and the identification of the person to whom the disbursement was made.

''(D) The elections to which the electioneering communications pertain and the names (if known) of the candidates identified or to be identified.

''(E) If the disbursements were paid out of a segregated account to which only individuals could contribute, the names and addresses of all contributors who contributed an aggregate amount of $500 or more to that account during the period beginning on the first day of the preceding calendar year and ending on the disclosure date.

''(F) If the disbursements were paid out of funds not described in subparagraph (E), the names and addresses of all contributors who contributed an aggregate amount of $500 or more to the organization or any related entity during the period beginning on the first day of the preceding calendar year and ending on the disclosure date.

''(G) Whether or not any electioneering communication is made in coordination, cooperation, consultation, or concert with, or at the request or suggestion of, any candidate or any authorized committee, any political party or committee, or any agent of the candidate, political party, or committee and if so, the identification of any candidate, party, committee, or agent involved.

''(3) ELECTIONEERING COMMUNICATION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'electioneering communication' means any broadcast from a television or radio broadcast station which—

''(i) refers to a clearly identified candidate for Federal office;

''(ii) is made (or scheduled to be made) within—

''(I) 60 days before a general, special, or runoff election for such Federal office; or

''(II) 30 days before a primary or preference election, or a convention or caucus of a political party that has authority to nominate a candidate, for such Federal office; and

''(iii) is broadcast from a television or radio broadcast station whose audience includes the electorate for such election, convention, or caucus.

''(B) EXCEPTIONS.—Such term shall not include—

''(i) communications appearing in a news story, commentary, or editorial distributed through the facilities of any broadcasting station, unless such facilities are owned or controlled by any political party, political committee, or candidate; or

''(ii) communications which constitute expenditures or independent expenditures under this Act.

''(4) DISCLOSURE DATE.—For purposes of this subsection, the term 'disclosure date' means—

''(A) the first date during any calendar year by which a person has made disbursements for electioneering communications aggregating in excess of $10,000; and

''(B) any other date during such calendar year by which a person has made disbursements for electioneering communications aggregating in excess of $10,000 since the most recent disclosure date for such calendar year.

''(5) CONTRACTS TO DISBURSE.—For purposes of this subsection, a person shall be treated as having made a disbursement if the person has contracted to make the disbursement.

''(6) COORDINATION WITH OTHER REQUIREMENTS.—Any requirement to report under this subsection shall be in addition to any other reporting requirement under this Act.''

SEC. 202. COORDINATED COMMUNICATIONS AS CONTRIBUTIONS.

Section 315(a)(7)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(7)(B)) is amended by inserting after clause (ii) the following:

''(iii) if—

''(I) any person makes, or contracts to make, any payment for any electioneering communication (within the meaning of section 304(d)(3)); and

''(II) such payment is coordinated with a candidate or an authorized committee of such candidate, a Federal, State, or local political party or committee thereof, or an agent or official of any such candidate, party, or committee;

such payment or contracting shall be treated as a contribution to such candidate and as an expenditure by such candidate; and''.

SEC. 203. PROHIBITION OF CORPORATE AND LABOR DISBURSEMENTS FOR ELECTIONEERING COMMUNICATIONS.

(a) IN GENERAL.—Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)(2)) is amended by inserting ''or for any applicable electioneering communication'' before '', but shall not include''.

(b) APPLICABLE ELECTIONEERING COMMUNICATION.—Section 316 of such Act is amended by adding at the end the following:

''(c) RULES RELATING TO ELECTIONEERING COMMUNICATIONS.—

''(1) APPLICABLE ELECTIONEERING COMMUNICATION.—For purposes of this section, the term 'applicable electioneering communication' means an electioneering communication (within the meaning of section 304(d)(3)) which is made by—

''(A) any entity to which subsection (a) applies other than a section 501(c)(4) organization; or

''(B) a section 501(c)(4) organization from amounts derived from the conduct of a trade or business or from an entity described in subparagraph (A).

''(2) SPECIAL OPERATING RULES.—For purposes of paragraph (1), the following rules shall apply:

''(A) An electioneering communication shall be treated as made by an entity described in paragraph (1)(A) if—

''(i) the entity described in paragraph (1)(A) directly or indirectly disburses any amount for any of the costs of the communication; or

''(ii) any amount is disbursed for the communication by a corporation or organization or a State or local political party or committee thereof that receives anything of value from the entity described in paragraph (1)(A), except that this clause shall not apply to any communication the costs of which are defrayed entirely out of a segregated account to which only individuals can contribute.

''(B) A section 501(c)(4) organization that derives amounts from business activities or from any entity described in paragraph (1)(A) shall be considered to have paid for any communication out of such amounts unless such organization paid for the communication out of a segregated account to which only individuals can contribute.

''(3) DEFINITIONS AND RULES.—For purposes of this subsection—

''(A) the term 'section 501(c)(4) organization' means—

''(i) an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; or

''(ii) an organization which has submitted an application to the Internal Revenue Service for determination of its status as an organization described in clause (i); and

''(B) a person shall be treated as having made a disbursement if the person has contracted to make the disbursement.

''(4) COORDINATION WITH INTERNAL REVENUE CODE.—Nothing in this subsection shall be construed to authorize an organization exempt from taxation under section 501(a) of the Internal Revenue Code of 1986 from carrying out any activity which is prohibited under such Code.''

Subtitle B—Independent and Coordinated Expenditures

SEC. 211. DEFINITION OF INDEPENDENT EXPENDITURE.

Section 301 of the Federal Election Campaign Act (2 U.S.C. 431) is amended by striking paragraph (17) and inserting the following:

''(17) INDEPENDENT EXPENDITURE.—The term 'independent expenditure' means an expenditure by a person—

''(A) expressly advocating the election or defeat of a clearly identified candidate; and

''(B) that is not provided in coordination with a candidate or a candidate's agent or a person who is coordinating with a candidate or a candidate's agent.''

SEC. 212. CIVIL PENALTY.

Section 309 of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g) is amended—

(1) in subsection (a)—

(A) in paragraph (4)(A)—

(i) in clause (i), by striking ''clause (ii)'' and inserting ''clauses (ii) and (iii)''; and

(ii) by adding at the end the following:

''(iii) If the Commission determines by an affirmative vote of 4 of its members that there is probable cause to believe that a person has made a knowing and willful violation of section 304(c), the Commission shall not enter into a conciliation agreement under this paragraph and may institute a civil action for relief under paragraph (6)(A).''; and

(B) in paragraph (6)(B), by inserting ''(except an action instituted in connection with a knowing and willful violation of section 304(c))'' after ''subparagraph (A)''; and

(2) in subsection (d)(1)—

(A) in subparagraph (A), by striking ''Any person'' and inserting ''Except as provided in subparagraph (D), any person''; and

(B) by adding at the end the following:

''(D) In the case of a knowing and willful violation of section 304(c) that involves the reporting of an independent expenditure, the violation shall not be subject to this subsection.''.

SEC. 213. REPORTING REQUIREMENTS FOR CERTAIN INDEPENDENT EXPENDITURES.

Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 201) is amended—

(1) in subsection (c)(2), by striking the undesignated matter after subparagraph (C); and

(2) by adding at the end the following:

''(e) TIME FOR REPORTING CERTAIN EXPENDITURES.—

''(1) EXPENDITURES AGGREGATING $1,000.—

''(A) INITIAL REPORT.—A person (including a political committee) that makes or contracts to make independent expenditures aggregating $1,000 or more after the 20th day, but more than 24 hours, before the date of an election shall file a report describing the expenditures within 24 hours after that amount of independent expenditures has been made.

''(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person shall file an additional report within 24 hours after each time the person makes or contracts to make independent expenditures aggregating an additional $1,000 with respect to the same election as that to which the initial report relates.

''(2) EXPENDITURES AGGREGATING $10,000.—

''(A) INITIAL REPORT.—A person (including a political committee) that makes or contracts to make independent expenditures aggregating $10,000 or more at any time up to and including the 20th day before the date of an election shall file a report describing the expenditures within 48 hours after that amount of independent expenditures has been made.

''(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person shall file an additional report within 48 hours after each time the person makes or contracts to make independent expenditures aggregating an additional $10,000 with respect to the same election as that to which the initial report relates.

''(3) PLACE OF FILING; CONTENTS.—A report under this subsection—

''(A) shall be filed with the Commission; and

''(B) shall contain the information required by subsection (b)(6)(B)(iii), including the name of each candidate whom an expenditure is intended to support or oppose.''.

SEC. 214. INDEPENDENT VERSUS COORDINATED EXPENDITURES BY PARTY.

Section 315(d) of the Federal Election Campaign Act (2 U.S.C. 441a(d)) is amended—

(1) in paragraph (1), by striking ''and (3)'' and inserting '', (3), and (4)''; and

(2) by adding at the end the following:

''(4) INDEPENDENT VERSUS COORDINATED EXPENDITURES BY PARTY.—

''(A) IN GENERAL.—On or after the date on which a political party nominates a candidate, a committee of the political party shall not make both expenditures under this subsection and independent expenditures (as defined in section 301(17)) with respect to the candidate during the election cycle.

''(B) CERTIFICATION.—Before making a coordinated expenditure under this subsection with respect to a candidate, a committee of a political party shall file with the Commission a certification, signed by the treasurer of the committee, that the committee, on or after the date described in subparagraph (A), has not and shall not make any independent expenditure with respect to the candidate during the same election cycle.

''(C) APPLICATION.—For purposes of this paragraph, all political committees established and maintained by a national political party (including all congressional campaign committees) and all political committees established and maintained by a State political party (including any subordinate committee of a State committee) shall be considered to be a single political committee.

''(D) TRANSFERS.—A committee of a political party that submits a certification under subparagraph (B) with respect to a candidate shall not, during an election cycle, transfer any funds to, assign authority to make coordinated expenditures under this subsection to, or receive a transfer of funds from, a committee of the political party that has made or intends to make an independent expenditure with respect to the candidate.''.

SEC. 215. COORDINATION WITH CANDIDATES.

(a) DEFINITION OF COORDINATION WITH CANDIDATES.—

(1) SECTION 301(8).—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended—

(A) in subparagraph (A)—

(i) by striking ''or'' at the end of clause (i);

(ii) by striking the period at the end of clause (ii) and inserting ''; or''; and

(iii) by adding at the end the following:

''(iii) coordinated activity (as defined in subparagraph (C)).''; and

(B) by adding at the end the following:

''(C) 'Coordinated activity' means anything of value provided by a person in coordination with a candidate, an agent of the candidate, or the political party of the candidate or its agent for the purpose of influencing a Federal election (regardless of whether the value being provided is a communication that is express advocacy) in which such candidate seeks nomination or election to Federal office, and includes any of the following:

''(i) A payment made by a person in cooperation, consultation, or concert with, at the request or suggestion of, or pursuant to any general or particular understanding with a candidate, the candidate's authorized committee, the political party of the candidate, or an agent acting on behalf of a candidate, authorized committee, or the political party of the candidate.

''(ii) A payment made by a person for the production, dissemination, distribution, or republication, in whole or in part, of any broadcast or any written, graphic, or other form of campaign material prepared by a candidate, a candidate's authorized committee, or an agent of a candidate or authorized committee (not including a communication described in paragraph (9)(B)(i) or a communication that expressly advocates the candidate's defeat).

''(iii) A payment made by a person based on information about a candidate's plans, projects, or needs provided to the person making the payment by the candidate or the candidate's agent who provides the information with the intent that the payment be made.

''(iv) A payment made by a person if, in the same election cycle in which the payment is made, the person making the payment is serving or has served as a member, employee, fundraiser, or agent of the candidate's authorized committee in an executive or policymaking position.

''(v) A payment made by a person if the person making the payment has served in any formal policy making or advisory position with the candidate's campaign or has participated in formal strategic or formal policymaking discussions (other than any discussion treated as a lobbying contact under the Lobbying Disclosure Act of 1995 in the case of a candidate holding Federal office or as a similar lobbying activity in the case of a candidate holding State or other elective office) with the candidate's campaign relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle as the election cycle in which the payment is made.

''(vi) A payment made by a person if, in the same election cycle, the person making the payment retains the professional services of any person that has provided or is providing campaign-related services in the same election cycle to a candidate (including services provided through a political committee of the candidate's political party) in connection with the candidate's pursuit of nomination for election, or election, to Federal office, including services relating to the candidate's decision to seek Federal office, and the person retained is retained to work on activities relating to that candidate's campaign.

''(vii) A payment made by a person who has directly participated in fundraising activities with the candidate or in the solicitation or receipt of contributions on behalf of the candidate.

''(viii) A payment made by a person who has communicated with the candidate or an agent of the candidate (including a communication through a political committee of the candidate's political party) after the declaration of candidacy (including a pollster, media consultant, vendor, advisor, or staff member acting on behalf of the candidate), about advertising message, allocation of resources, fundraising, or other campaign matters related to the candidate's campaign, including campaign operations, staffing, tactics, or strategy.

''(ix) The provision of in-kind professional services or polling data (including services or data provided through a political committee of the candidate's political party) to the candidate or candidate's agent.

''(x) A payment made by a person who has engaged in a coordinated activity with a candidate described in clauses (i) through (ix) for a communication that clearly refers to the candidate or the candidate's opponent and is for the purpose of influencing that candidates's election (regardless of whether the communication is express advocacy).

''(D) For purposes of subparagraph (C), the term 'professional services' means polling, media advice, fundraising, campaign research or direct mail (except for mailhouse services solely for the distribution of voter guides as defined in section 431(20)(B)) services in support of a candidate's pursuit of nomination for election, or election, to Federal office.

''(E) For purposes of subparagraph (C), all political committees established and maintained by a national political party (including all congressional campaign committees) and all political committees established and maintained by a State political party (including any subordinate committee of a State committee) shall be considered to be a single political committee.''.

(2) SECTION 315(A)(7).—Section 315(a)(7) (2 U.S.C. 441a(a)(7)) is amended by striking subparagraph (B) and inserting the following:

''(B) a coordinated activity, as described in section 301(8)(C), shall be considered to be a contribution to the candidate, and in the case of a limitation on expenditures, shall be treated as an expenditure by the candidate.

(b) MEANING OF CONTRIBUTION OR EXPENDITURE FOR THE PURPOSES OF SECTION 316.—Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)) is amended by striking ''shall include'' and inserting ''includes a contribution or expenditure, as those terms are defined in section 301, and also includes''.

TITLE III—DISCLOSURE

SEC. 301. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES; FILING BY SENATE CANDIDATES WITH COMMISSION.

(a) USE OF COMPUTER AND FACSIMILE MACHINE.—Section 302(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended by striking paragraph (11) and inserting the following:

''(11)(A) The Commission shall promulgate a regulation under which a person required to file a designation, statement, or report under this Act—

''(i) is required to maintain and file a designation, statement, or report for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of a threshold amount determined by the Commission; and

''(ii) may maintain and file a designation, statement, or report in electronic form or an alternative form, including the use of a facsimile machine, if not required to do so under the regulation promulgated under clause (i).

''(B) The Commission shall make a designation, statement, report, or notification that is filed electronically with the Commission accessible to the public on the Internet not later than 24 hours after the designation, statement, report, or notification is received by the Commission.

''(C) In promulgating a regulation under this paragraph, the Commission shall provide methods (other than requiring a signature on the document being filed) for verifying designations, statements, and reports covered by the regulation. Any document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.''.

(b) SENATE CANDIDATES FILE WITH COMMISSION.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended—

(1) in section 302, by striking subsection (g) and inserting the following:

''(g) FILING WITH THE COMMISSION.—All designations, statements, and reports required to be filed under this Act shall be filed with the Commission.''; and

(2) in section 304—

(A) in subsection (a)(6)(A), by striking ''the Secretary or''; and

(B) in the matter following subsection (c)(2), by striking ''the Secretary or''.

SEC. 302. PROHIBITION OF DEPOSIT OF CONTRIBUTIONS WITH INCOMPLETE CONTRIBUTOR INFORMATION.

Section 302 of Federal Election Campaign Act of 1971 (2 U.S.C. 432) is amended by adding at the end the following:

''(j) DEPOSIT OF CONTRIBUTIONS.—The treasurer of a candidate's authorized committee shall not deposit, except in an escrow account, or otherwise negotiate a contribution from a person who makes an aggregate amount of contributions in excess of $200 during a calendar year unless the treasurer verifies that the information required by this section with respect to the contributor is complete.''.

SEC. 303. AUDITS.

(a) RANDOM AUDITS.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended—

(1) by inserting ''(1) IN GENERAL.—'' before ''The Commission''; and

(2) by adding at the end the following:

''(2) RANDOM AUDITS.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), the Commission may conduct random audits and investigations to ensure voluntary compliance with this Act. The selection of any candidate for a random audit or investigation shall be based on criteria adopted by a vote of at least 4 members of the Commission.

''(B) LIMITATION.—The Commission shall not conduct an audit or investigation of a candidate's authorized committee under subparagraph (A) until the candidate is no longer a candidate for the office sought by the candidate in an election cycle.

''(C) APPLICABILITY.—This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under section 9007 or 9038 of the Internal Revenue Code of 1986.''.

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended by striking ''6 months'' and inserting ''12 months''.

SEC. 304. REPORTING REQUIREMENTS FOR CONTRIBUTIONS OF $50 OR MORE.

Section 304(b)(3)(A) of the Federal Election Campaign Act at 1971 (2 U.S.C. 434(b)(3)(A) is amended—

(1) by striking ''$200'' and inserting ''$50''; and

(2) by striking the semicolon and inserting '', except that in the case of a person who makes contributions aggregating at least $50 but not more than $200 during the calendar year, the identification need include only the name and address of the person;''.

SEC. 305. USE OF CANDIDATES' NAMES.

Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended by striking paragraph (4) and inserting the following:

''(4)(A) The name of each authorized committee shall include the name of the candidate who authorized the committee under paragraph (1).

''(B) A political committee that is not an authorized committee shall not—

''(i) include the name of any candidate in its name; or

''(ii) except in the case of a national, State, or local party committee, use the name of any candidate in any activity on behalf of the committee in such a context as to suggest that the committee is an authorized committee of the candidate or that the use of the candidate's name has been authorized by the candidate.''.

SEC. 306. PROHIBITION OF FALSE REPRESENTATION TO SOLICIT CONTRIBUTIONS.

Section 322 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441h) is amended—

(1) by inserting after ''SEC. 322.'' the following: ''(a) IN GENERAL.—''; and

(2) by adding at the end the following:

''(b) SOLICITATION OF CONTRIBUTIONS.—No person shall solicit contributions by falsely representing himself or herself as a candidate or as a representative of a candidate, a political committee, or a political party.''.

SEC. 307. SOFT MONEY OF PERSONS OTHER THAN POLITICAL PARTIES.

(a) IN GENERAL.—Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) (as amended by section 103(a)) is amended by adding at the end the following:

''(g) DISBURSEMENTS OF PERSONS OTHER THAN POLITICAL PARTIES.—

''(1) IN GENERAL.—A person, other than a political committee of a political party or a person described in section 501(d) of the Internal Revenue Code of 1986, that makes an aggregate amount of disbursements in excess of $50,000 during a calendar year for activities described in paragraph (2) shall file a statement with the Commission—

''(A) on a monthly basis as described in subsection (a)(4)(B); or

''(B) in the case of disbursements that are made within 20 days of an election, within 24 hours after the disbursements are made.

''(2) ACTIVITY.—An activity is described in this paragraph if it is—

''(A) Federal election activity;

''(B) an activity described in section 316(b)(2)(A) that expresses support for or opposition to a candidate for Federal office or a political party; or

''(C) an activity described in subparagraph (B) or (C) of section 316(b)(2).

''(3) APPLICABILITY.—This subsection does not apply to—

''(A) a candidate or a candidate's authorized committees; or

''(B) an independent expenditure.

''(4) CONTENTS.—A statement under this section shall contain such information about the disbursements made during the reporting period as the Commission shall prescribe, including—

''(A) the aggregate amount of disbursements made;

''(B) the name and address of the person or entity to whom a disbursement is made in an aggregate amount in excess of $200;

''(C) the date made, amount, and purpose of the disbursement; and

''(D) if applicable, whether the disbursement was in support of, or in opposition to, a candidate or a political party, and the name of the candidate or the political party.''.

(b) DEFINITION OF GENERIC CAMPAIGN ACTIVITY.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:

''(20) GENERIC CAMPAIGN ACTIVITY.—The term 'generic campaign activity' means an activity that promotes a political party and does not promote a candidate or non-Federal candidate.''.

SEC. 308. CAMPAIGN ADVERTISING.

Section 318 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking ''Whenever'' and inserting ''Whenever a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public political advertising, or whenever'';

(ii) by striking ''an expenditure'' and inserting ''a disbursement''; and

(iii) by striking ''direct''; and

(B) in paragraph (3), by inserting ''and permanent street address'' after ''name''; and

(2) by adding at the end the following:

''(c) Any printed communication described in subsection (a) shall—

''(1) be of sufficient type size to be clearly readable by the recipient of the communication;

''(2) be contained in a printed box set apart from the other contents of the communication; and

''(3) be printed with a reasonable degree of color contrast between the background and the printed statement.

''(d)(1) Any broadcast or cablecast communication described in paragraphs (1) or (2) of subsection (a) shall include, in addition to the requirements of that paragraph, an audio statement by the candidate that identifies the candidate and states that the candidate has approved the communication.

''(2) If a broadcast or cablecast communication described in paragraph (1) is broadcast or cablecast by means of television, the communication shall include, in addition to the audio statement under paragraph (1), a written statement that—

''(A) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

''(B) is accompanied by a clearly identifiable photographic or similar image of the candidate.

''(e) Any broadcast or cablecast communication described in paragraph (3) of subsection (a) shall include, in addition to the requirements of that paragraph, in a clearly spoken manner, the following statement: '_____ is responsible for the content of this advertisement.' (with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor). If broadcast or cablecast by means of television, the statement shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds.''.

TITLE IV—PERSONAL WEALTH OPTION

SEC. 401. VOLUNTARY PERSONAL FUNDS EXPENDITURE LIMIT.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) (as amended by section 101) is amended by adding at the end the following:

''SEC. 324. VOLUNTARY PERSONAL FUNDS EXPENDITURE LIMIT.

''(a) ELIGIBLE SENATE CANDIDATE.—

''(1) PRIMARY ELECTION.—

''(A) DECLARATION.—A candidate for the office of Senator is an eligible Senate candidate with respect to a primary election if the candidate files with the Commission a declaration that the candidate and the candidate's authorized committees will not exceed the personal funds expenditure limit.

''(B) TIME TO FILE.—The declaration under subparagraph (A) shall be filed not later than the date on which the candidate files with the appropriate State officer as a candidate for the primary election.

''(2) GENERAL ELECTION.—

''(A) DECLARATION.—A candidate for the office of Senator is an eligible Senate candidate with respect to a general election if the candidate files with the Commission—

''(i) a declaration under penalty of perjury, with supporting documentation as required by the Commission, that the candidate and the candidate's authorized committees did not exceed the personal funds expenditure limit in connection with the primary election; and

''(ii) a declaration that the candidate and the candidate's authorized committees will not exceed the personal funds expenditure limit in connection with the general election.

''(B) TIME TO FILE.—The declaration under subparagraph (A) shall be filed not later than 7 days after the earlier of—

''(i) the date on which the candidate qualifies for the general election ballot under State law; or

''(ii) if under State law, a primary or runoff election to qualify for the general election ballot occurs after September 1, the date on which the candidate wins the primary or runoff election.

''(b) PERSONAL FUNDS EXPENDITURE LIMIT.—

''(1) IN GENERAL.—The aggregate amount of expenditures that may be made in connection with an election by an eligible Senate candidate or the candidate's authorized committees from the sources described in paragraph (2) shall not exceed $50,000.

''(2) SOURCES.—A source is described in this paragraph if the source is—

''(A) personal funds of the candidate and members of the candidate's immediate family; or

''(B) proceeds of indebtedness incurred by the candidate or a member of the candidate's immediate family.

''(c) CERTIFICATION BY THE COMMISSION.—

''(1) IN GENERAL.—The Commission shall determine whether a candidate has met the requirements of this section and, based on the determination, issue a certification stating whether the candidate is an eligible Senate candidate.

''(2) TIME FOR CERTIFICATION.—Not later than 7 business days after a candidate files a declaration under paragraph (1) or (2) of subsection (a), the Commission shall certify whether the candidate is an eligible Senate candidate.

''(3) REVOCATION.—The Commission shall revoke a certification under paragraph (1), based on information submitted in such form and manner as the Commission may require or on information that comes to the Commission by other means, if the Commission determines that a candidate violates the personal funds expenditure limit.

''(4) DETERMINATIONS BY COMMISSION.—A determination made by the Commission under this subsection shall be final, except to the extent that the determination is subject to examination and audit by the Commission and to judicial review.

''(d) PENALTY.—If the Commission revokes the certification of an eligible Senate candidate—

''(1) the Commission shall notify the candidate of the revocation; and

''(2) the candidate and a candidate's authorized committees shall pay to the Commission an amount equal to the amount of expenditures made by a national committee of a political party or a State committee of a political party in connection with the general election campaign of the candidate under section 315(d).''.

SEC. 402. POLITICAL PARTY COMMITTEE COORDINATED EXPENDITURES.

Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) (as amended by section 214) is amended by adding at the end the following:

''(5) This subsection does not apply to expenditures made in connection with the general election campaign of a candidate for the Senate who is not an eligible Senate candidate (as described in section 324(a)).''.

TITLE V—MISCELLANEOUS

SEC. 501. CODIFICATION OF BECK DECISION.

Section 8 of the National Labor Relations Act (29 U.S.C. 158) is amended by adding at the end the following new subsection:

''(h) NONUNION MEMBER PAYMENTS TO LABOR ORGANIZATION.—

''(1) IN GENERAL.—It shall be an unfair labor practice for any labor organization which receives a payment from an employee pursuant to an agreement that requires employees who are not members of the organization to make payments to such organization in lieu of organization dues or fees not to establish and implement the objection procedure described in paragraph (2).

''(2) OBJECTION PROCEDURE.—The objection procedure required under paragraph (1) shall meet the following requirements:

''(A) The labor organization shall annually provide to employees who are covered by such agreement but are not members of the organization—

''(i) reasonable personal notice of the objection procedure, the employees eligible to invoke the procedure, and the time, place, and manner for filing an objection; and

''(ii) reasonable opportunity to file an objection to paying for organization expenditures supporting political activities unrelated to collective bargaining, including but not limited to the opportunity to file such objection by mail.

''(B) If an employee who is not a member of the labor organization files an objection under the procedure in subparagraph (A), such organization shall—

''(i) reduce the payments in lieu of organization dues or fees by such employee by an amount which reasonably reflects the ratio that the organization's expenditures supporting political activities unrelated to collective bargaining bears to such organization's total expenditures; and

''(ii) provide such employee with a reasonable explanation of the organization's calculation of such reduction, including calculating the amount of organization expenditures supporting political activities unrelated to collective bargaining.

''(3) DEFINITION.—In this subsection, the term 'expenditures supporting political activities unrelated to collective bargaining' means expenditures in connection with a Federal, State, or local election or in connection with efforts to influence legislation unrelated to collective bargaining.''.

SEC. 502. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by striking section 313 and inserting the following:

''SEC. 313. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES.

''(a) PERMITTED USES.—A contribution accepted by a candidate, and any other amount received by an individual as support for activities of the individual as a holder of Federal office, may be used by the candidate or individual—

''(1) for expenditures in connection with the campaign for Federal office of the candidate or individual;

''(2) for ordinary and necessary expenses incurred in connection with duties of the individual as a holder of Federal office;

''(3) for contributions to an organization described in section 170(c) of the Internal Revenue Code of 1986; or

''(4) for transfers to a national, State, or local committee of a political party.

''(b) PROHIBITED USE.—

''(1) IN GENERAL.—A contribution or amount described in subsection (a) shall not be converted by any person to personal use.

''(2) CONVERSION.—For the purposes of paragraph (1), a contribution or amount shall be considered to be converted to personal use if the contribution or amount is used to fulfill any commitment, obligation, or expense of a person that would exist irrespective of the candidate's election campaign or individual's duties as a holder of Federal officeholder, including—

''(A) a home mortgage, rent, or utility payment;

''(B) a clothing purchase;

''(C) a noncampaign-related automobile expense;

''(D) a country club membership;

''(E) a vacation or other noncampaign-related trip;

''(F) a household food item;

''(G) a tuition payment;

''(H) admission to a sporting event, concert, theater, or other form of entertainment not associated with an election campaign; and

''(I) dues, fees, and other payments to a health club or recreational facility.''.

SEC. 503. LIMIT ON CONGRESSIONAL USE OF THE FRANKING PRIVILEGE.

Section 3210(a)(6) of title 39, United States Code, is amended by striking subparagraph (A) and inserting the following:

''(A) A Member of Congress shall not mail any mass mailing as franked mail during a year in which there will be an election for the seat held by the Member during the period between January 1 of that year and the date of the general election for that Office, unless the Member has made a public announcement that the Member will not be a candidate for reelection to that year or for election to any other Federal office.''.

SEC. 504. PROHIBITION OF FUNDRAISING ON FEDERAL PROPERTY.

Section 607 of title 18, United States Code, is amended—

(1) by striking subsection (a) and inserting the following:

''(a) PROHIBITION.—

''(1) IN GENERAL.—It shall be unlawful for any person to solicit or receive a donation of money or other thing of value in connection with a Federal, State, or local election from a person who is located in a room or building occupied in the discharge of official duties by an officer or employee of the United States. An individual who is an officer or employee of the Federal Government, including the President, Vice President, and Members of Congress, shall not solicit a donation of money or other thing of value in connection with a Federal, State, or local election, while in any room or building occupied in the discharge of official duties by an officer or employee of the United States, from any person.

''(2) PENALTY.—A person who violates this section shall be fined not more than $5,000, imprisoned more than 3 years, or both.''; and

(2) in subsection (b), by inserting ''or Executive Office of the President'' after ''Congress'' .

SEC. 505. PENALTIES FOR KNOWING AND WILLFUL VIOLATIONS.

(a) INCREASED PENALTIES.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended—

(1) in paragraphs (5)(A), (6)(A), and (6)(B), by striking ''$5,000'' and inserting ''$10,000''; and

(2) in paragraphs (5)(B) and (6)(C), by striking ''$10,000 or an amount equal to 200 percent'' and inserting ''$20,000 or an amount equal to 300 percent''.

(b) EQUITABLE REMEDIES.—Section 309(a)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)) is amended by striking the period at the end and inserting '', and may include equitable remedies or penalties, including disgorgement of funds to the Treasury or community service requirements (including requirements to participate in public education programs).''.

(c) AUTOMATIC PENALTY FOR LATE FILING.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended—

(1) by adding at the end the following:

''(13) PENALTY FOR LATE FILING.—

''(A) IN GENERAL.—

''(i) MANDATORY MONETARY PENALTIES.—The Commission shall establish a schedule of mandatory monetary penalties that shall be imposed by the Commission for failure to meet a time requirement for filing under section 304.

''(ii) REQUIRED FILING.—In addition to imposing a penalty, the Commission may require a report that has not been filed within the time requirements of section 304 to be filed by a specific date.

''(iii) PROCEDURE.—A penalty or filing requirement imposed under this paragraph shall not be subject to paragraph (1), (2), (3), (4), (5), or (12).

''(B) FILING AN EXCEPTION.—

''(i) TIME TO FILE.—A political committee shall have 30 days after the imposition of a penalty or filing requirement by the Commission under this paragraph in which to file an exception with the Commission.

''(ii) TIME FOR COMMISSION TO RULE.—Within 30 days after receiving an exception, the Commission shall make a determination that is a final agency action subject to exclusive review by the United States Court of Appeals for the District of Columbia Circuit under section 706 of title 5, United States Code, upon petition filed in that court by the political committee or treasurer that is the subject of the agency action, if the petition is filed within 30 days after the date of the Commission action for which review is sought.'';

(2) in paragraph (5)(D)—

(A) by inserting after the first sentence the following: ''In any case in which a penalty or filing requirement imposed on a political committee or treasurer under paragraph (13) has not been satisfied, the Commission may institute a civil action for enforcement under paragraph (6)(A).''; and

(B) by inserting before the period at the end of the last sentence the following: ''or has failed to pay a penalty or meet a filing requirement imposed under paragraph (13)''; and

(3) in paragraph (6)(A), by striking ''paragraph (4)(A)'' and inserting ''paragraph (4)(A) or (13)''.

SEC. 506. STRENGTHENING FOREIGN MONEY BAN.

Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended—

(1) by striking the heading and inserting the following: ''CONTRIBUTIONS AND DONATIONS BY FOREIGN NATIONALS''; and

(2) by striking subsection (a) and inserting the following:

''(a) PROHIBITION.—It shall be unlawful for—

''(1) a foreign national, directly or indirectly, to make—

''(A) a donation of money or other thing of value, or to promise expressly or impliedly to make a donation, in connection with a Federal, State, or local election; or

''(B) a contribution or donation to a committee of a political party; or

''(2) for a person to solicit, accept, or receive such contribution or donation from a foreign national.''.

SEC. 507. PROHIBITION OF CONTRIBUTIONS BY MINORS.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) (as amended by section 401) is amended by adding at the end the following:

''SEC. 326. PROHIBITION OF CONTRIBUTIONS BY MINORS.

An individual who is 17 years old or younger shall not make a contribution to a candidate or a contribution or donation to a committee of a political party.''.

SEC. 508. EXPEDITED PROCEDURES.

(a) IN GENERAL.—Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) (as amended by section 505(c)) is amended by adding at the end the following:

''(14)(A) If the complaint in a proceeding was filed within 60 days preceding the date of a general election, the Commission may take action described in this subparagraph.

''(B) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that there is clear and convincing evidence that a violation of this Act has occurred, is occurring, or is about to occur, the Commission may order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties.

''(C) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to the Commission, that the complaint is clearly without merit, the Commission may—

''(i) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

''(ii) if the Commission determines that there is insufficient time to conduct proceedings before the election, summarily dismiss the complaint.''.

(b) REFERRAL TO ATTORNEY GENERAL.—Section 309(a)(5) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(5)) is amended by striking subparagraph (C) and inserting the following:

''(C) The Commission may at any time, by an affirmative vote of at least 4 of its members, refer a possible violation of this Act or chapter 95 or 96 of title 26, United States Code, to the Attorney General of the United States, without regard to any limitation set forth in this section.''.

SEC. 509. INITIATION OF ENFORCEMENT PROCEEDING.

Section 309(a)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)(2)) is amended by striking ''reason to believe that'' and inserting ''reason to investigate whether''.

TITLE VI—SEVERABILITY; CONSTITUTIONALITY; EFFECTIVE DATE; REGULATIONS

SEC. 601. SEVERABILITY.

If any provision of this Act or amendment made by this Act, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this Act and amendments made by this Act, and the application of the provisions and amendment to any person or circumstance, shall not be affected by the holding.

SEC. 602. REVIEW OF CONSTITUTIONAL ISSUES.

An appeal may be taken directly to the Supreme Court of the United States from any final judgment, decree, or order issued by any court ruling on the constitutionality of any provision of this Act or amendment made by this Act.

SEC. 603. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act take effect on the date that is 60 days after the date of enactment of this Act or January 1, 2000, whichever occurs first.

SEC. 604. REGULATIONS.

The Federal Election Commission shall prescribe any regulations required to carry out this Act and the amendments made by this Act not later than 270 days after the effective date of this Act.

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

S. 27. A bill to amend the Balanced Budget and Emergency Deficit Control Act of 1985 to extend and clarify the pay-as-you-go requirements regarding the Social Security trust funds; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

THE SOCIAL SECURITY TRUST FUND PROTECTION ACT OF 1999

Mr. FEINGOLD. Mr. President, I am pleased to join my good friend, the Senator from South Carolina (Mr. HOLLINGS), in offering the Social Security Trust Fund Protection Act of 1999, legislation extending our current PAYGO budget rules, and clarifying that Congress may not use so-called budget surpluses to pay for tax cuts or new spending when those surpluses are really Social Security Trust Fund balances.

Mr. President, as I noted last year when I first offered this measure, it gives me particular pleasure to join with Senator HOLLINGS in introducing this bill.

Both in this body and in the Budget Committee, he has been a leading voice for fiscal prudence.

While popular in theory, fiscal prudence is often less attractive in practice, but Senator HOLLINGS has taken tough positions, even when those positions may not have been politically attractive.

That is the true measure of commitment to honest and prudent budgeting, and I am proud to join him in this effort today.

Mr. President, the bill we are introducing today ensures that the PAYGO rule will continue to require that any new entitlement spending or tax cuts be fully paid for.

Our bill clarifies current PAYGO procedures to remove any doubt that tax cuts or increased spending must continue to be offset.

It extends the PAYGO rule, which currently covers legislation enacted through 2002, until we are no longer using Social Security to mask the deficit.

Under our bill, Congress could not use a so-called surplus until it is real, namely when the budget runs a surplus without using Social Security Trust Funds.

Mr. President, we have entered an era of transition with regard to the Federal budget.

For decades, Congress and the White House ran up huge deficits, producing a mounting national debt.

Over the past few years, we have worked to bring down those deficits.

Those efforts have been successful, in large part, and we are now witnessing something Congress has not seen in 30 years—actually achieving balance in the so-called unified budget.

But, Mr. President, while achieving a balanced unified budget is a significant and encouraging accomplishment, it is not a final victory.

We still have a way to go.

Unfortunately, Mr. President, some do want to declare a final victory, and use any projected unified budget surpluses for increased spending or tax cuts.

But as many have noted on this floor, projected surpluses based on a so-called unified budget are not real.

In fact, far from surpluses, what we really have are continuing on-budget deficits, masked by Social Security revenues.

The distinction is absolutely fundamental.

As I have noted before, the very word ''surplus'' connotes some extra amount or bonus in addition to the funds we need to meet our expenses and obligations.

One dictionary defines ''surplus'' as: ''something more than or in excess of what is needed or required.''

Mr. President, the projected unified budget surplus is not ''more than or in excess of what is needed or required.''

Those funds are needed.

They were raised by the Social Security system, specifically in anticipation of commitments to future Social Security beneficiaries.

Mr. President, let me just note that the problem of using Social Security trust fund balances to mask the real budget deficit is not a partisan issue.

Both political parties have used this accounting gimmick—here in Congress and in the White House.

But it must stop, and this legislation can help us stop it.

Mr. President, budget rules cannot by themselves reduce the deficit, but they can protect what has been achieved and guard against further abuse.

The PAYGO rule governing entitlements and taxes, along with the discretionary spending caps, have kept Congress disciplined and on track.

Mr. President, earlier I said we are in an era of budget transition.

With some hard work this year, we can leave the years of unified budget deficits behind us.

And with some more work, we can move toward real budget balances without using Social Security revenues.

Mr. President, that must be our highest priority.

If Congress does not begin to rid itself of its addiction to Social Security trust fund balances, we will put the benefits of future retirees at serious risk.

Fortunately, Mr. President, we are within reach of the goal of balancing the budget without using the Social Security trust funds.

If we stay the course, and continue the tough, sometimes unpopular work of reducing the deficit, we can give this Nation an honest budget, one that is truly balanced.

And the time to act is now.

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

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

S. 27

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 ''Social Security Trust Fund Protection Act of 1999''.

SEC. 2. EXTENSION AND MODIFICATION OF PAY-AS-YOU-GO REQUIREMENT.

(a) EXTENSION.—

(1) IN GENERAL.—Section 252(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''enacted before October 1, 2002,'' both places it appears.

(2) POINTS OF ORDER.—Section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking the last sentence.

(b) MODIFICATION.—

(1) DEFINITION.—Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new paragraph:

''(20) The term 'budget increase' means, for purposes of section 252, an increase in direct spending outlays or a decrease in receipts relative to the baseline, and the term 'budget decrease' means, for purposes of section 252, a decrease in direct spending outlays or an increase in receipts relative to the baseline.''.

(2) PURPOSE.—Section 252(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) by striking ''increases the deficit'' and inserting ''results in a net budget increase''; and

(B) by inserting before the period the following: ''except to the extent that the total budget surplus exceeds the social security surplus''.

(3) TIMING.—Section 252(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) in its side heading by inserting ''AND AMOUNT'' after ''TIMING''; and

(B) by striking ''net deficit increase'' and inserting ''net budget increase'' and by adding at the end the following new sentence: ''The requirement of the preceding sentence shall apply for any fiscal year only to the extent that the surplus, if any, before the sequestration required by this section in the total budget (which, notwithstanding section 710 of the Social Security Act, includes both on-budget and off-budget Government accounts) is less than the combined surplus for that year in the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.''.

(4) CALCULATING.—Section 252(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) in its side heading by striking ''DEFICIT INCREASE'' and inserting ''NET BUDGET INCREASE'';

(B) by striking ''deficit increase or decrease'' the first place it appears and inserting ''any net budget increase''; and

(C) by striking ''any net deficit increase or decrease in the current year resulting from''.

(5) ELIMINATING.—The side heading of section 252(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''DEFICIT INCREASE'' and inserting ''NET BUDGET INCREASE''.

By Mr. HATCH (for himself, Mr. BINGAMAN, and Mr. BENNETT):

S. 28. A bill to authorize an interpretive center and related visitor facilities within the Four Corners Monument Tribal Park, and for other purposes; to the Committee on Energy and Natural Resources.

FOUR CORNERS MONUMENT INTERPRETIVE CENTER ACT

Mr. HATCH. Mr. President, I rise today to the introduce the Four Corners Monument Interpretive Center Act. The Four Corners is the only location in our nation where the boundaries of four states meet at one point.

Each year more than a quarter of a million visitors from around the world

brave heat and discomfort to visit the Four Corners. This legislation will provide basic amenities to these travelers and provide an important economic opportunity for the Indian Nations who share the Four Corners area.

The Four Corners area is unique for reasons other than the makeup of its political boundaries. This location was home to some of the earliest Americans, the Anasazi people. Little known about this ancient people, but the Four Corners area contains many of the clues left behind to help us learn about their society. This heritage has created an area of rich historical, archeological, and cultural significance as well as natural beauty.

In more recent history, in 1949, the Governors of Arizona, Colorado, New Mexico, and Utah met at the Four Corners Monument for a historic meeting. Each Governor sat in his state's corner and ate a picnic lunch together. The governors pledged to meet every so often to reaffirm their commitment to working together for the good of the four states and for the Four Corners region. This year marks the 50th anniversary of that historic meeting. I think we should reaffirm their commitment to cooperation by establishing this center that will promote opportunity in this region.

This legislation is important for the Navajo Nation and the Mountain Utes who share control of the existing Four Corners Monument. And, we must be clear what we mean by ''monument.'' In contrast to the 1.7 million acre Grand Staircase Escalante National Monument recently declared by President Clinton, the ''monument'' that marks the spot at Four Corners is a simple concrete disk containing the four states' seals.

Native Americans have set up small open air stalls around the monument to exhibit and sell their native crafts. But, there is no electricity, no running water, no permanent restroom facilities, and no phone service in the area.

The interpretive center provided by this legislation would not only assist these Native Americans economically, but it would provide a valuable resource to visitors who would like to learn more about the culture, history, and environment of the Four Corners region.

Mr. President, I wish to emphasize that this bill reflects the initiative of the local tribes and elected officials. This is not a federal imposition, but federal support of sustainable economic development in an area that is in desperate need of it. The Four Corners Heritage Council, which is comprised of tribal leaders, local government and private sectors leaders, has been instrumental in developing this bill.

Not only will the interpretive center benefit the local tribes, but it will help to create more interest among tourists of other attractions and sites in the entire Four Corners region. Within a 100 mile radius of the monument there are multiple sites and parks for the enjoyment of tourists, such as Zion National Park, Arches National Park, the Grand Canyon, Rainbow Bridge, Hovenweep, Mesa Verde, and much, much, more. Because of its central location, the center would act as a staging ground for the entire Colorado Plateau.

That this proposal reflects the needs of so many in the area, is reflected by the strong support among all the region's tribal and local governments, and the San Juan Forum, which represents federal state and local interests in the four states. The Albuquerque Tribune editorialized last year that ''the project merits New Mexico's strong support.'' The state of Arizona has already set aside $250,000 for their share of the project. In addition, the Arizona Department of Transportation has produced draft plans for the new center and for the road changes that would be required. The other states have also shown interest as well, which is important as they will be required to match the $2 million authorized by this bill for the project.

Mr. President, this bill represents cooperation of federal, state, local, and tribal governments in an effort to reaffirm our ties to our past while building for our future. I urge my colleagues to give this proposal their full support.

Mr. BINGAMAN. Mr. President, I am pleased to speak in support of this important legislation being introduced today by my friend from Utah, Senator HATCH. The bill authorizes the construction of a much needed interpretive visitor center at the Four Corners Monument. An identical bill passed the Senate unanimously last September.

As I am sure all Senators know, the Four Corners is the only place in America where the boundaries of four states meet in one spot. The monument is located on the Navajo and Ute Mountain Ute Reservations and currently operated as a Tribal Park.

Nearly a quarter of a million people visit this unique site every year. However, currently there are no facilities for tourists at the park and nothing that explains the very special features of the Four Corners region. This bill authorizes the Department of the Interior to contribute $2 million toward the construction of an interpretive center and basic facilities for visitors.

Mr. President, the Four Corners Monument is more than a geographic curiosity. It also serves as a focal point for some of the most beautiful landscape and significant cultural attractions in our country. An interpretive center will help visitors appreciate the many special features of the region. For example, within a short distance of the monument are the cliff dwellings of Mesa Verde, Colorado; the Red Rock and Natural Bridges areas of Utah; and in Arizona, Monument Valley and Canyon de Chelly. The beautiful San Juan River, one of the top trout streams in the Southwest, flows through Colorado, New Mexico, and Utah.

In my state of New Mexico, both the legendary mountain known as Shiprock and the Chaco Canyon Culture National Historical Park are a short distance from the Four Corners.

Mr. President, Shiprock is one of the best known and most beautiful landmarks in New Mexico. The giant volcanic monolith rises nearly 2000 feet straight up from the surrounding plain. Ancient legend tells us the mountain was created when a giant bird settled to earth and turned to stone. In the Navajo language, the mountain is named Tse' bi t' ai or the Winged Rock. Early Anglo settlers saw the mountain's soaring spires and thought they resembled the sails of a huge ship, so they named it Shiprock.

The Four Corners is also the site of Chaco Canyon. Chaco was an important Anasazi cultural center from about 900 through 1130 A.D. Pre-Columbian civilization in the Southwest reached its greatest development there. The massive stone ruins, containing hundreds of rooms, attest to Chaco's cultural importance. As many as 7,000 people may have lived at Chaco at one time. Some of the structures are thought to house ancient astronomical observatories to mark the passage of the seasons. The discovery of jewelry from Mexico and California and a vast network of roads is evidence of the advanced trading carried on at Chaco. Perhaps, the most spectacular accomplishment at Chaco was in architecture. Pueblo Bonito, the largest structure, contains more than 800 rooms and 32 kivas. Some parts are more than five stories high. The masonry work is truly exquisite. Stones were so finely worked and fitted together that no mortar was needed. Remarkably, all this was accomplished without metal tools or the wheel.

Mr. President, 1999 marks the centennial year of the first monument at the Four Corners. An interpretive center is urgently needed today to showcase the history, culture, and scenery of this very special place. New facilities at the monument will attract visitors and help stimulate economic development throughout the region.

The legislation the Senate passed last year had wide-spread support from state, tribal, and local interests.

Mr. President, I hope the Senate will again take prompt action on this bill. I also urge the House to move forward this year to pass this important legislation. I am pleased to co-sponsor this bill with Senator HATCH, and I thank him for his efforts.

Mr. President, I ask unanimous consent that a May 7, 1998, editorial from the Albuquerque Tribune be printed in the RECORD.

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

[From the Albuquerque Tribune, May 7, 1998]

FOUR CORNERS VISITORS CENTER—AND BEYOND

When scheming to promote tourism, four heads are better than one.

New Mexico, Utah, Arizona and Colorado have an opportunity to create the proposed $4 million Four Corners visitors center. The project merits New Mexico's strong support.

The Tribune has liked the idea of forging a four-state regional alliance for tourism ever since former Interior Secretary Stewart Udall proposed his ''America's Scenic Circle'' plan on these pages June 18. He argued that New Mexico, Utah, Arizona, Colorado and the Indian tribes in those states should reach out to the international tourism market by joining forces. The cultural and natural attractions in these states, taken individually, have great appeal, he said—but nothing like they would if touted together in respectful and tastefully designed packages.

The Trib revisited the idea of regional tourism alliances again in the Insight & Opinion section April 30. There, state and Albuquerque tourism officials explained how such alliances could boost the effect of New Mexico's tourism-marketing dollars.

The Four Corners visitors center would become a strong footing for a four-state alliance.

It would be built at the Four Corners Monument Tribal Park, where the four states meet. The exact site and design are undetermined, and the Navajo and Ute tribes would have a say in the development. We hope the design physically binds the four states together. There is no visitors center at Four Corners now.

The center was proposed by Utah Sen. Orrin Hatch last week in a bill co-sponsored by Sen. Jeff Bingaman. Half of the $4 million cost would be paid with federal tax dollars. The remainder would be split among the four states—giving each a deep stake in the project.

The purpose of the center is to clearly interpret, showcase and promote the special features of the region, from Shiprock and Chaco Canyon in New Mexico to Mesa Verde in Colorado to Red Rock in Utah to Monument Valley in Arizona. Every state and tribe involved would benefit.

The bill does not say so, but the center also could become the focus for continuing, broader relationships along the lines that Udall proposed. It commits the four states to working with one another at least in the Four Corners area; it's not a quantum leap from that to ''America's Scenic Circle.''

Let's use our four heads and support this move.

By Mr. INOUYE:

S. 29. A bill to amend section 1086 of title 10, United States Code, to provide for payment under CHAMPUS of certain health care expenses incurred by certain members and former members of the uniformed services and their dependents to the extent that such expenses are not payments under medicare, and for other purposes; to the Committee on Armed Services.

THE CAMPUS AMENDMENT ACT OF 1999

Mr. INOUYE. Mr. President, I feel that it is imperative that our nation continue its firm commitment to those individuals and their families who have served in the Armed Forces and made us the great nation we are today. As this population ages, there is a need for a wider range of health services, some of which are simply not available under Medicare. These individuals made a commitment to their nation, trusting that when they needed help the nation would honor that commitment. The bill I am introducing today would ensure the highest possible quality of care for these dedicated citizens and their families by authorizing payment under CHAMPUS of certain health care expenses to the extent such expenses are not payable under Medicare.

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

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

S. 29

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

SECTION 1. EXPANSION OF MEDICARE EXCEPTION TO THE PROHIBITION OF CHAMPUS COVERAGE FOR CARE COVERED BY ANOTHER HEALTH CARE PLAN.

(a) AMENDMENT AND REORGANIZATION OF EXCEPTIONS.—Subsection (d) of section 1086 of title 10, United States Code, is amended to read as follows:

''(d)(1) Section 1079(j) of this title shall apply to a plan contracted for under this section except as follows:

''(A) Subject to paragraph (2), a benefit may be paid under such plan in the case of a person referred to in subsection (c) for items and services for which payment is made under title XVIII of the Social Security Act.

''(B) No person eligible for health benefits under this section may be denied benefits under this section with respect to care or treatment for any service-connected disability which is compensable under chapter 11 of title 38 solely on the basis that such person is entitled to care or treatment for such disability in facilities of the Department of Veterans Affairs.

''(2) If a person described in paragraph (1)(A) receives medical or dental care for which payment may be made under both title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) and a plan contracted for under subsection (a), the amount payable for that care under the plan may not exceed the difference between—

''(A) the sum of any deductibles, coinsurance, and balance billing charges that would be imposed on the person if payment for that care were made solely under that title; and

''(B) the sum of any deductibles, coinsurance, and balance billing charges that would be imposed on the person if payment for that care were made solely under the plan.

''(3) A plan contracted for under this section shall not be considered a group health plan or large group health plan for the purposes of paragraph (2) or (3) of section 1862(b) of the Social Security Act (42 U.S.C. 1395y(b)).

''(4) A person who, by reason of the application of paragraph (1), receives a benefit for items or services under a plan contracted for under this section shall provide the Secretary of Defense with any information relating to amounts charged and paid for the items and services that, after consulting with the other administering Secretaries, the Secretary requires. A certification of such person regarding such amounts may be accepted for the purposes of determining the benefit payable under this section.''.

(b) REPEAL OF SUPERSEDED PROVISION.—Such section is further amended—

(1) by striking out subsection (g); and

(2) by redesignating subsection (h) as subsection (g).

SEC. 2. CONFORMING AMENDMENT.

Section 1713(d) of title 38, United States Code, is amended by striking out ''section 1086(d)(1) of title 10 or''.

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall take effect with respect to health care items or services provided on and after the date of enactment of this Act.

By Mr. THURMOND:

S. 31. A bill to amend title 1, United States Code, to clarify the effect an application of legislation; to the Committee on the Judiciary.

TO CLARIFY THE APPLICATION AND EFFECT OF LEGISLATION

Mr. THURMOND. Mr. President, I rise today to introduce a bill to clarify the application and effect of legislation which the Congress enacts.

My act is simple and straightforward. It provides that unless future legislation expressly states otherwise, new enactments shall be applied prospectively and shall not create private rights of action. This will significantly reduce unnecessary litigation and court costs, and will benefit both the public and our judicial system.

The purpose of this legislation is to tackle a persistent problem that is easy to prevent. When Congress enacts a bill, the legislation often does not indicate whether it is to be applied retroactively or whether it creates private rights of action. The failure of the Congress to address these issues in each piece of legislation results in unnecessary confusion and uncertainty. This uncertainty leads to lawsuits, thereby contributing to the high cost of litigation and the congestion of our courts.

In the absence of clear action by the Congress on its intent regarding these critical threshold questions, the outcome is left up to the courts. Whether a law applies to conduct that occurred before the effective date of the Act and whether a private person has been granted the right to sue on their own behalf in civil court under an Act can be critical or even dispositive of a case. Even if the issue is only one aspect of a case and it is raised early in a lawsuit, a decision that the lawsuit can proceed generally cannot be appealed until the end of the case. If the appellate court eventually rules that one of these issues should have prevented the trial, the litigants have been put to substantial burden and unnecessary expenses which could have been avoided.

Currently, courts attempt to determine the intent of the Congress in deciding the effect and application of legislation in this regard. Thus, courts look first and foremost to the statutory language. If a statute expressly provides that it is retroactive or creates a private cause of action, that dictate is followed. Further, courts apply a presumption that legislation is not retroactive. This is an entirely appropriate, longstanding rule because, absent mistake or an emergency, fundamental fairness generally dictates that conduct should be assessed under the rules that existed at the time the conduct took place. There is a similar presumption that the Congress did not intend to create rights beyond those that it expressly includes in its legislation.

If the intent of Congress is not clear from the statute, courts generally look

to legislative history, statutory structure, and possible other sources of Congressional intent. This is where the unnecessary complexity and confusion is created. Sources other than statutory language are to varying degrees less reliable in predicting Congressional intent. They are much more difficult to interpret and may even be contradictory. The more sources for the courts to analyze and the more vague the standard for review, the more likely courts will reach different results. Under current practice, trial courts around the country reach conflicting and inconsistent results on these issues, as do appellate courts when the issues are appealed.

The problem of whether legislation is retroactive was dramatically illustrated after the passage of the Civil Rights Act of 1991. District courts and courts of appeal all over the country were required to resolve whether the 1991 Act should be applied retroactively, and the issue ultimately was considered by the Supreme Court. However, by the time the Court resolved the issue in 1994, well over 100 lower courts had ruled on this question and, although most had not found retroactivity, their decisions were inconsistent. Countless litigants across the country expended substantial resources debating this threshold procedural issue.

All this litigation arose from a statute that contained no language providing that it be retroactive. To conclude that the provision of the statute in issue in the case was not to be applied retroactively, the majority opinion of the Court took 39 pages in the United States Reporter to explain why. It undertook a detailed analysis that demonstrates the unnecessary complexity of the current standard. It is no wonder that some Supreme Court justices argued in this case that a court should look only to whether the language of the statute expressly provides for retroactivity. That is what I propose. If my law has been in effect, the litigation would have been averted, while the outcome would have been exactly the same as the Supreme Court decided.

Under my bill, newly enacted laws are not to be applied retroactively and do not create a private right of action, unless the legislation expressly provides otherwise. It is important to note that my bill does not in any way restrict the Congress on these important issues. The Congress may override this presumption or create new private rights of action.

One United States District Judge in my State informs me that he spends at least 10 percent of his time on these issues. It is clear that this legislation would save litigants and our judicial system millions of dollars by avoiding a great deal of uncertainty and litigation.

Mr. President, if we are truly concerned about relieving the backlog of cases in our courts and reducing the costs of litigation, we should help our judicial system to focus its limited time and resources on resolving the merits of disputes, rather than deciding these preliminary matters. We hear numerous complaints about overworked judges and crowded dockets. This is a simple and straightforward way to do something about it. The Congress can help reduce the Federal caseload and help simplify the law. We should act on this important reform promptly.

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

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

S. 31

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

SECTION 1. RULE OF CONSTRUCTION RELATING TO RETROACTIVE APPLICATION OF STATUTES AND THE CREATION OF PRIVATE CLAIMS AND CAUSES OF ACTION.

(a) IN GENERAL.—Chapter 1 of title 1, United States Code, is amended by adding at the end the following:

''§ 8. Rules for determining the retroactive effect of legislation and the creation of private claims and causes of action

''(a) Unless a provision included in the Act expressly specifies otherwise, any Act of Congress enacted after the effective date of this section shall—

''(1) be prospective in application only; and

''(2) not create a private claim or cause of action.

''(b) In applying subsection (a)(1), a court shall determine the relevant retroactivity event in an Act of Congress (if such event is not specified in such Act) for purposes of determining if the Act—

''(1) is prospective in application only; or

''(2) affects conduct that occurred before the effective date of the Act.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 1 of title 1, United States Code, is amended by adding after the item relating to section 7 the following:

''8. Rules for determining the retroactive effect of legislation and the creation of private claims and causes of action.''.

By Mr. THURMOND:

S. 32. A bill to eliminate a requirement for a unanimous verdict in criminal trials in Federal courts; to the Committee on the Judiciary.

LEGISLATION TO ALLOW FEDERAL CRIMINAL CONVICTION ON A 10–2 JURY VOTE

Mr. THURMOND. Mr. President, I rise today to introduce legislation to allow juries to convict criminals on a 10–2 jury vote rather than a unanimous vote.

It is my belief that this change to the Federal Rules of Criminal Procedure will bring about increased efficiency and finality in our Nation's Federal court system while maintaining the integrity of the pursuit of justice.

This legislation is consistent with the Supreme Court ruling concerning unanimity injury verdicts, specifically in *Apodaca* v. *Oregon* [406 U.S. 404 (1972)]. In that case, the Supreme Court ruled that the Sixth Amendment guarantee of a jury trial does not require that the jury's vote be unanimous. The Supreme Court affirmed an Oregon law that permitted what I am proposing—a 10–2 conviction in criminal prosecutions.

Mr. President, clearly there is no constitutional mandate for the current requirement under the Federal Rules of a jury verdict by a unanimous vote. The origins of the unanimity rule are not easy to trace, although it may date back to the latter half of the 14th century. One theory proffered is that defendants had few other rules to ensure a fair trial and a unanimous jury vote for conviction compensated for other inadequacies at trial. Of course, today the entire trial process is heavily tilted towards the accused with many, many safeguards in place to ensure that the defendant receives a fair trial.

Its interesting that a unanimity requirement was considered by our Founding Fathers as part of the Sixth Amendment to the Constitution, but it was rejected. The proposed language for the Sixth Amendment, as introduced by James Madison in the House of Representatives, provided for trial by jury as well as a ''requisite of unanimity for conviction.'' The language eventually adopted by the Congress and the States in the Sixth Amendment provides ''the right to a speedy and public trial, by an impartial jury,'' but does not specify any requirement on conviction. This was a wise decision.

It is clear that ''trial by jury in criminal cases is fundamental to the American scheme of justice,'' as the Supreme Court has stated. Juries are representative of the community and their solemn duty is to hear the evidence, deliberate, and decide the case after careful review of the facts and the law. As the Supreme Court has noted, a jury can responsibly perform this function if allowed to decide the case by a margin that is less than unanimous.

This change for jury verdicts in the Federal courts will reduce the likelihood of a single juror corrupting an otherwise thoughtful and reasonable deliberation of the evidence. It is not easy to adequately screen a juror for potential bias before they are selected to serve on a jury. This cannot be done with absolute certainty. We should work to prevent one such juror from having the power to prevent justice from being served.

One juror should not have the power to allow a criminal to go free in the face of considerable opposition from his peers on the jury. Even if a defendant is tried again after one or two jurors hold out against conviction, a new trial is very costly and time-consuming. Most importantly, a new trial substantially delays justice for the victims and society.

It is important to note that this new rule could also work to the advantage of someone on trial. Currently, if there is a hung jury, a prosecutor has the

power to retry a defendant. This is true even if only one juror believed the defendant was guilty. Under this new rule, if at least ten jurors concluded that the defendant was not guilty, he would be acquitted and could not be forced to endure a new trial. This rule has the potential to benefit either side as it brings finality to a criminal case.

In other words, there are cases where a requirement of unanimity produced a hung jury where, had there been a non-unanimous allowance, the jury would have voted to convict or acquit. Yet, in either instance, the defendant is accorded his constitutional right of a judgment by his peers. It is my firm belief that this legislation will not undermine the pillars of justice or result in the conviction of innocent persons.

Moreover, I believe the American people will strongly support this reform to allow a 10–2 decision. This is one way the Congress can help fight crime and promote criminal justice.

Mr. President, I hope the Congress will support this important proposal. I ask unanimous consent that the bill be printed in its entirety in the RECORD.

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

S. 32

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

SECTION 1. AMENDMENT OF RULE 31 OF THE FEDERAL RULES OF CRIMINAL PROCEDURES.

(a) IN GENERAL.—Rule 31(a) of the Federal Rules of Criminal Procedure is amended by striking ''unanimous'' and inserting ''by five-sixths of the jury''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to cases pending or commenced on or after the date of enactment of this Act.

By Mr. THURMOND (for himself and Mr. HELMS)

S. 33. A bill to amend title II of the Americans with Disabilities Act of 1990 and section 504 of the Rehabilitation Act of 1973 to exclude prisoners from the requirements of that title and section; to the Committee on Health, Education, Labor, and Pensions.

THE STATE AND LOCAL PRISON RELIEF ACT

Mr. THURMOND. Mr. President, I rise today to introduce legislation to address an undue burden that has arisen out of the Americans with Disabilities Act.

The purpose of the ADA was to give disabled Americans the opportunity to fully participate in society and contribute to it. This was a worthy goal. But even legislation with the best of intentions often has unintended consequences. I submit that one of those is the application of the ADA to state and local prisoners throughout America.

Last year, the Supreme Court ruled in *Pennsylvania Department of Corrections* v. *Yeskey* [118 S.Ct. 1952 (1998)] that the ADA applied to every state prison and local jail in this country. To no avail, the Attorneys General of most states, as well as numerous state and local organizations, had joined with Pennsylvania in court filings to oppose the ADA applying to prisoners.

Prior to the Supreme Court ruling, the circuit courts were split on the issue. The Fourth Circuit Court of Appeals, my home circuit, had forcefully concluded that the ADA, as well as its predecessor and companion law, the Rehabilitation Act, did not apply to state prisoners. The decision focused on federalism concerns and the fact that the Congress did not make clear that it intended to involve itself to this degree in an activity traditionally reserved to the States.

However, the Supreme Court did not agree, holding that the language of the Act is broad enough to clearly cover state prisons. It is not an issue on the Federal level because the Federal Bureau of Prisons voluntarily complies with the Act. The Supreme Court did not say whether applying the ADA to state prisons exceeded the Congress' powers under the Commerce Clause or the Fourteenth Amendment, but we should not wait on the outcome of this argument to act. Although it was rational for the Supreme Court to read the broad language of the ADA the way it did, it is far from clear that we in the Congress considered the application of this sweeping new social legislation in the prison environment.

The Seventh Circuit has recognized that the ''failure to exclude prisoners may well have been an oversight.'' The findings and purpose of the law seem to support this. The introductory language of the ADA states, ''The Nation's proper goals regarding individuals with disabilities are to assure equality of opportunity, full participation, independent living, and economic self-sufficiency'' to allow ''people with disabilities . . . to compete on an equal basis and to pursue those opportunities for which our free society is justifiably famous.'' Of course, a prison is not a free society, as the findings and purpose of the Act envisioned. Indeed, it is quite the opposite. In short, as the Ninth Circuit explained, ''The Act was not designed to deal specifically with the prison environment; it was intended for general societal application.''

In any event, now that the Supreme Court has spoken, it is time for the Congress to confront this issue. The Congress should act now to exempt state and local prisons from the ADA. That is why I am introducing the State and Local Prison Relief Act, as I did soon after the Supreme Court decided the *Yeskey* case last year.

The State and Local Prison Relief Act would exempt prisons from the requirements of the ADA and the Rehabilitation Act for prisoners. More specifically, it exempts any services, accommodations, programs, activities or treatment of any kind regarding prisoners that may otherwise be required by the Acts. Through this language, which I have slightly revised since introducing the bill last year, I wish to make entirely clear that the bill is not intended to exempt prisons from having to accommodate disabled legal counsel, visitors, or others who are not inmates. Also, the fact that the bill applies to Title II of the ADA should make clear that it is not intended to exempt prison hiring practices for non-inmate employees. The bill is intended only to apply to prisoners.

I firmly believe that if we do not act, the ADA will have broad adverse implications for the management of penal institutions. Prisoners will file an endless number of lawsuits demanding special privileges, which will involve Federal judges in the intricate details of running our state and local prisons.

Mr. President, we should continuously remind ourselves that the Constitution created a Federal government of limited, enumerated powers. Those powers not delegated to the Federal government were reserved to the states or the people. As James Madison wrote in Federalist No. 45, ''the powers delegated to the Federal government are few and definite. . . . [The powers] which are to remain in the State governments are numerous and indefinite.'' The Federal government should avoid intrusion into matters traditionally reserved for the states. We must respect this delicate balance of power. Unfortunately, federalism is more often spoken about than respected.

Although the entire ADA raises federalism concerns, the problem is especially acute in the prison context. There are few powers more traditionally reserved for the states than crime. The criminal laws have always been the province of the states, and the vast majority of prisoners have always been housed in state prisons. The First Congress enacted a law asking the states to house Federal prisoners in their jails for fifty cents per month. The first Federal prison was not built until over 100 years later, and only three existed before 1925.

Even today, as the size and scope of the Federal government has grown immensely, only about 6% of prisoners are housed in Federal institutions. Managing that other 94% is a core state function. As the Supreme Court has stated, ''Maintenance of penal institutions is an essential part of one of government's primary functions—the preservation of societal order through enforcement of the criminal law. It is difficult to imagine an activity in which a State has a stronger interest, or one that is more intricately bound up with state laws, regulations, and procedures.''

The primary function of prisons is to house criminals. Safety and security are the overriding concerns of prison administration. The rules and regulations, the daily schedules, the living and working arrangements—these all revolve around protecting prison employees, inmates, and the public. But the goal of the ADA is to take away any barrier to anyone with any disability. Accommodating inmates in the

manner required by the ADA will interfere with the ability of prison administrators to keep safety and security their overriding concern.

For example, a federal court in Pennsylvania ruled that a prisoner who disobeyed a direct order could not be punished because of the ADA. The judge said it was okay for a prisoner to return to his cell after he was told not to by a guard, saying the prisoner was justified in refusing to comply because he was doing so to relieve stress built up due to his Tourette's Syndrome.

The practical effect of the ADA will be that prison officials will have to grant special privileges to certain inmates and to excuse others from complying with generally-applicable prison rules. For example, a federal judge ordered an Iowa prison to install cable TV in a disabled inmate's cell because the man had difficulty going to the common areas to watch TV. After much public protest, the ruling was eventually reversed.

The ADA presents a perfect opportunity for prisoners to try to beat the system, and use the courts to do it. There are over 1.7 million inmates in state prisons and local jails, and the numbers are rising every year. Indeed, the total prison population has grown about 6.5% per year since 1990. Prisons have a substantially greater percentage of persons with disabilities that are covered by the ADA than the general population, including AIDS, mental retardation, psychological disorders, learning disabilities, drug addiction, and alcoholism. Further, administrators control every aspect of prisoners' lives, such as assigning educational opportunities, recreation, and jobs in prison industries. Combine these facts, and the possibilities for lawsuits are endless.

For example, in most state prison systems, inmates are classified and assigned based in part on their disabilities. This helps administrators meet the disabled inmates' needs in a cost-effective manner. However, under the ADA, prisoners probably will be able to claim that they must be assigned to a prison without regard to their disability. Were it not for their disability, they may have been assigned to the prison closest to their home, and in that case, every prison would have to be able to accommodate every disability. That could mean every prison having, for example, mental health treatment centers, services for hearing-impaired inmates, and dialysis treatment. The cost is potentially enormous.

A related expense is attorney's fees. The ADA has incentives to encourage private litigants to vindicate their rights in court. Any plaintiff, including an inmate, who is only partially successful can get generous attorney's fees and monetary damages, possibly including even punitive damages. In an ongoing ADA class action lawsuit in California, the state has paid the prisoners' attorneys over $2 million, with hourly fees as high as $300.

Applying the ADA to prisons is the latest unfunded Federal mandate that we are imposing on the states.

Adequate funding is hard for prisons to achieve, especially in state and local communities where all government funds are scarce. The public is angry about how much money must be spent to house prisoners. Even with prison populations rising, the people do not want more of their money spent on prisoners. Often, there is simply not enough money to make the changes in challenged programs to accommodate the disabled. If prison administrators do not have the money to change a program, they will probably have to eliminate it. Thus, accommodation could mean the elimination of worthwhile educational, recreational, and rehabilitative programs, making all inmates worse off.

Apart from money, accommodation may mean modifying the program in such a way as to take away its beneficial purpose. A good example is the Supreme Court's *Yeskey* case itself. Yeskey was declared medically ineligible to participate in a boot camp program because he had high blood pressure. So, he sued under the ADA. The boot camp required rigorous physical activity, such as work projects. If the program has to be changed to accommodate his physical abilities, it may not meet its basic goals, and the authorities may eliminate it. Thus, the result could be that everyone loses the benefit of an otherwise effective correctional tool.

Another impact of the ADA may be to make an already volatile prison environment even more difficult to control. Many inmates are very sensitive to the privileges and benefits that others get in a world where privileges are relatively few. Some have irrational suspicions and phobias. An inmate who is not disabled may be angry if he believes a disabled prisoner is getting special treatment, without rationally accepting that the law require it, and could take out his anger on others around him, including the disabled prisoner.

We must keep in mind that it is judges who will be making these policy decisions. To apply the Act and determine what phrases like ''qualified individual with a disability'' mean, judges must involve themselves in intricate, fact-intensive issues. Essentially, the ADA requires judges to micromanage prisons. Judges are not qualified to second-guess prison administrators and make these complex, difficult decisions. Prisons cannot be run by judicial decree.

In applying Constitutional rights to prisoners, the Supreme Court has tried to get away from micromanagement and has viewed prisoner claims deferentially in favor of the expertise of prison officials. It has stated that we will not ''substitute our judgment on difficult and sensitive matters of institutional administration for the determinations of those charged with the formidable task of running a prison. This approach ensures the ability of corrections officials to anticipate security problems and to adopt innovative solutions to the intractable problems of prison administration, and avoids unnecessary intrusion of the judiciary into problems particularly ill suited to resolution by decree.''

Take for example a case from the Fourth Circuit, my home circuit, from 1995. The Court explained that a morbidly obese inmate presented corrections officials ''with a lengthy and ever-increasing list of modifications which he insisted were necessary to accommodate his obese condition. Thus, he demanded a larger cell, a cell closer to support facilities, handrails to assist him in using the toilet, wider entrances to his cell and the showers, non-skid matting in the lobby area, and alternative outdoor recreational activities to accommodate his inability to stand or walk for long periods.'' It is not workable for judges to resolve all of these questions.

It is noteworthy that a primary purpose of the Prison Litigation Reform Act was to stop judges from micromanaging prisons and to reduce the burdens of prison litigation. As the Chief Justice of the Supreme Court recognized last year, the PLRA is having some success. However, this most recent Supreme Court decision will hamper that progress.

Moreover, the ADA delegated to Federal agencies the authority to create regulations to implement the law. In response, the Federal bureaucracy has created extremely specific and detailed mandates. Regarding facilities, they dictate everything from the number of water fountains to the flash rates of visual alarms. State and local correctional authorities must fall in line behind these regulations. In yet another way, we have the Justice Department exercising regulatory oversight over our state and local communities.

Prisons are fundamentally different from other places in society. Prisoners are not entitled to all of the rights and privileges of law-abiding citizens, but they often get them. They have cable television. They have access to better gyms and libraries than most Americans. The list goes on.

The public is tired of special privileges for prisoners. Applying the ADA to prisons is a giant step in the wrong direction. Prisoners will abuse the ADA to get privilege they were previously denied, and the reason will be the overreaching hand of the Federal government. We should not let this happen.

Mr. President, the National Government has gone full circle. We have gone from asking the states to house Federal prisoners to dictating to the states how they must house their own prisoners. There must be some end to the powers of the Federal government, and to the privileges it grants the inmates of this Nation. I propose that we start by passing this important legislation.

I ask unanimous consent that a copy 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. 33

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

SECTION 1. EXCLUSION OF PRISONERS.

(a) AMERICANS WITH DISABILITIES ACT OF 1990.—Section 201(2) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131(2)) is amended by adding at the end the following: ''The term shall not include a prisoner in a prison, as such terms are defined in section 3626(g) of title 18, United States Code, with respect to services, programs, activities, and treatment (including accommodations) relating to the prison.''.

(b) REHABILITATION ACT OF 1973.—Paragraph (20) of section 7 of the Rehabilitation Act of 1973 (as redesignated in section 402(a)(1) of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1999) is amended—

(1) by redesignating subparagraph (G) as subparagraph (H); and

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

''(G) PRISON PROGRAMS AND ACTIVITIES; EXCLUSION OF PRISONERS.—For purposes of section 504, the term 'individual with a disability' shall not include a prisoner in a prison, as such terms are defined in section 3626(g) of title 18, United States Code, with respect to programs and activities (including accommodations) relating to the prison.''.

By Mr. THURMOND:

S. 34. A bill to amend title 28, United States Code, to clarify the remedial jurisdiction of inferior Federal courts; to the Committee on the Judiciary.

THE JUDICIAL TAXATION PROHIBITION ACT

Mr. THURMOND. Mr. President, I rise today to introduce legislation to prohibit Federal judges from imposing a tax increase as a judicial remedy.

It has always been my firm belief that Federal judges exceed the boundaries of their limited jurisdiction under the Constitution when they order new taxes or order increases in existing tax rates.

The Founding Fathers clearly understood that taxation was a role for the legislative branch and not the judicial branch. Article I of the Constitution lists the legislative powers, one of which is that ''the Congress shall have the power to lay and collect taxes.'' Article III establishes the judicial powers, and the power to tax is nowhere contained in Article III.

The Federalist Papers are also clear in this regard. In Federalist No. 48, James Madison explained that ''the legislative branch alone has access to the pockets of the people.'' In Federalist No. 78, Alexander Hamilton stated, ''The judiciary . . . has no influence over . . . the purse, no direction either of the strength or of the wealth of the society, and can take no active resolution whatever.''

In 1990, in the case of *Missouri v. Jenkins*, five members of the Supreme Court stated in *dicta* that although a Federal judge could not directly raise taxes, he could order the local government to raise taxes. There is no difference between a judge raising taxes and a judge ordering a legislative official to raise taxes. I am hopeful that, if the issue were directly before the Court today, a majority of the current membership of the Court would reject that *dicta* and hold that Federal judges do not have the power to order that taxes be raised. However, in the event the Court does not correct this error, I am introducing the Judicial Taxation Prohibition Act, which would prohibit judges from raising taxes. I have introduced it in every Congress since the Supreme Court's misguided decision was issued, and I intend to do so until it is corrected. This legislation is essential to affirm the separation of powers.

There is a simple reason why this distinction between the branches of government is so important and must remain clear. The legislative branch is responsible to the people through the democratic process. However, the judicial branch is composed of individuals who are not elected and have life tenure. By design, the members of the judicial branch do not depend on the popular will for their offices. They are not accountable to the people. They simply have no business setting the rate of taxes the people must pay. For a judge to order that taxes be increased amounts to taxation without representation. It is entirely contrary to the understanding of the Founding Fathers.

The phrase ''taxation without representation'' recalls an important time in America history that is worth repeating in some detail. The Constitution can best be understood by referencing the era in which it was adopted.

Not since Great Britain's ministry of George Grenville in 1765 have the American people faced the assault of taxation without representation as now authorized in the *Jenkins* decision. As part of his imperial reforms to tighten British control in the colonies, Grenville pushed the Stamp Act through the Parliament in 1765. This Act required excise duties to be paid by the colonists in the form of revenue stamps affixed to a variety of legal documents. This action came at a time when the colonies were in an uproar over the Sugar Act of 1764 which levied duties on certain imports such as sugar, indigo, coffee, linens.

The ensuing firestorm of debate in America centered on the power of Britain to tax the colonies. James Otis, a young Boston attorney, echoed the opinion of most colonists stating that the Parliament did not have power to tax the colonies because Americans had no representation in that body. Mr. Otis had been attributed in 1761 with the statement that ''taxation without representation is tyranny.''

In October 1765, delegates from nine states were sent to New York as part of the Stamp Act Congress to protest the new law. It was during this time that John Adams wrote in opposition to the Stamp Act, ''We have always understood it to be a grand and fundamental principle . . . that no freeman shall be subject to any tax to which he has not given his own consent, in person or by proxy.'' A number of resolutions were adopted by the Stamp Act Congress protesting the acts of Parliament. One resolution stated, ''It is inseparably essential to the freedom of a people . . . that no taxes be imposed on them, but with their own consent, given personally or by their representatives.'' The resolutions concluded that the Stamp Act had a ''manifest tendency to subvert the rights and liberties of the colonists.''

Opposition to the Stamp Act was vehement throughout the colonies. While Grenville's successor was determined to repeal the law, the social, economic and political climate in the colonies brought on the American Revolution. The principles expressed during the earlier crisis against taxation without representation became firmly imbedded in our Federal Constitution of 1787.

I recognize that some say this legislation is unconstitutional. They argue that the Congress does not have the authority under Article III to limit and regulate the jurisdiction of the inferior Federal courts. This argument has no basis in the Constitution or common sense.

Article III, Section 1, of the Constitution provides jurisdiction to the lower Federal courts as the ''Congress may from time to time ordain and establish.'' There is no mandate in the Constitution to confer equity jurisdiction to the inferior Federal courts. Congress has the flexibility under Article III to ''ordain and establish'' the lower Federal courts as it deems appropriate. This basic premise has been upheld by the Supreme Court in a number of cases including Lawcourt v. Phillips, Lauf v. E.G. Skinner and Co., Kline v. Burke Construction Co., and Sheldon v. Sill.

In other words, the Congress was expressly granted the authority to establish lower Federal courts, which it did. What the Congress has been given the power to do, it can certainly decide to stop doing. By passing this bill, the Congress would simply be limiting the jurisdiction of the lower Federal courts in a small area.

It is also important to note that this legislation would not restrict the power of the Federal courts to remedy Constitutional wrongs. Clearly, the Court has the power to order a remedy for a Constitutional violation that may include expenditures of money by Federal, State, or local governments. This bill simply requires that if the Court orders that money be spent, it is for the legislative body to decide how to comply with that order. The legislative body may choose to raise taxes, but it also may choose to cut spending or sell assets. That choice of how to come up

with the money should always be for the legislature to decide. I believe it is clear under Article III that the Congress has the authority to restrict the remedial jurisdiction of the Federal Courts in this fashion.

Mr. President, the dispositive issue presented by the *Jenkins* decision is whether the American people want, as a matter of national policy, to be exposed to taxation without their consent by an independent and insulated judiciary. I most assuredly believe they do not.

Mr. President, how long will it be before a Federal judge orders tax increases to build new highways or prisons? I do not believe the Founding Fathers had this type of activisim in mind when they established the judicial branch of government.

Judicial activism is a matter of great concern to me and has been for many years. I have always felt that Federal judges must strictly adhere to the principle that it is their role to interpret the law and not make the law. This simply principle is fundamental to our system of government.

The American people deserve a response to the *Jenkins* decision. We must provide protection against the imposition of taxes by an unelected, unaccountable judiciary. We must not permit this blatant violation of the separation of powers. We have a duty to right this wrong.

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

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

S. 34

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 ''Judicial Taxation Prohibition Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) a variety of effective and appropriate judicial remedies are available for the full redress of legal and constitutional violations under existing law, and that the imposition or increase of taxes by courts is neither necessary nor appropriate for the full and effective exercise of Federal court jurisdiction;

(2) the imposition or increase of taxes by judicial order constitutes an unauthorized and inappropriate exercise of the judicial power under the Constitution of the United States and is incompatible with traditional principles of law and government of the United States and the basic principle of the United States that taxation without representation is tyranny;

(3) Federal courts exceed the proper boundaries of their limited jurisdiction and authority under the Constitution of the United States, and impermissibly intrude on the legislative function in a democratic system of government, when they issue orders requiring the imposition of new taxes or the increase of existing taxes; and

(4) Congress retains the authority under article III, sections 1 and 2 of the Constitution of the United States to limit and regulate the jurisdiction of the inferior Federal courts that Congress has seen fit to establish, and such authority includes the power to limit the remedial authority of inferior Federal courts.

SEC. 3. AMENDMENT TO TITLE 28.

(a) IN GENERAL.—Chapter 85 of title 28, United States Code, is amended by inserting after section 1341 the following:

''§ 1341A. Prohibition of judicial imposition or increase of taxes

''(a) Notwithstanding any other provision of law, no inferior court established by Congress shall have jurisdiction to issue any remedy, order, injunction, writ, judgment, or other judicial decree requiring the Federal Government or any State or local government to impose any new tax or to increase any existing tax or tax rate.

''(b) Nothing in this section shall prohibit inferior Federal courts from ordering duly authorized remedies, otherwise within the jurisdiction of those courts, that may require expenditures by a Federal, State, or local government in any case in which those expenditures are necessary to effectuate those remedies.

''(c) For purposes of this section, the term 'tax' includes—

''(1) personal income taxes;

''(2) real and personal property taxes;

''(3) sales and transfer taxes;

''(4) estate and gift taxes;

''(5) excise taxes;

''(6) user taxes;

''(7) corporate and business income taxes; and

''(8) licensing fees or taxes.''.

(b) TABLE OF SECTIONS.—The table of sections for chapter 85 of title 28, United States Code, is amended by inserting after the item relating to section 1341 the following:

''1341A. Prohibition of judicial imposition or increase of taxes.''.

SEC. 4. APPLICABILITY.

This Act and the amendments made by this Act shall apply to cases pending or commenced in a Federal court on or after the date of enactment of this Act.

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

S. 35. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for the long-term care insurance costs of all individuals who are not eligible to participate in employer-subsidized long-term care health plans; to the Committee on Finance.

S. 36. A bill to amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance may be obtained by Federal employees and annuitants; to the Committee on Governmental Affairs.

THE AMERICAN WORKER LONG-TERM CARE AFFORDABILITY ACT OF 1999

Mr. GRASSLEY. Mr. President, I rise today to introduce two bills that are an important first step in helping Americans prepare for their long-term care needs. The Long Term Care Affordability and Availability Act and the American Worker Long Term Care Affordability Act. I am pleased to have my colleague Senator GRAHAM of Florida join me as a cosponsor of these two bills.

Longer and healthier lives are a blessing and a testament to the progress and advances made by our society. However, all Americans must be alert and prepare for long-term care needs. The role of private long-term care insurance is critical in meeting this challenge.

The financial challenges of health care in retirement are not new. Indeed, too many family caregivers can tell stories about financial devastation that was brought about by the serious long-term care needs of a family member. Because increasing numbers of Americans are likely to need long term care services, it is especially important to encourage planning today.

Most families are not financially prepared when a loved one needs long-term care. When faced with nursing home costs that can run more than $40,000 a year, families often turn to Medicaid for help. In fact, Medicaid pays for nearly 2 of every 3 nursing home residents at a cost of more than $30 billion each year for nursing home costs. With the impending retirement of the Baby Boomers, it is imperative that Congress takes steps now to encourage all Americans to plan ahead for potential long-term care needs.

The Long Term Care and Affordability and Availability Act will allow Americans who do not currently have access to employer subsidized long-term care plans to deduct the amount of such a plan from their taxable income. This bill will encourage planning and personal responsibility while helping to make long-term care insurance more affordable for middle class taxpayers.

The American Worker Long-Term Care Affordability Act will establish a program under which long-term care insurance may be obtained by current and former employees of the federal government. This legislation will make long-term care insurance affordable to the Federal community by using the purchasing power of the federal government to assure quality, competition and choice.

These measures will encourage Americans to be pro-active and prepare for their own long term care needs by making insurance more widely available and affordable. I urge my colleagues to support these bills.

Mr. President, I ask unanimous consent that the texts of the bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 35

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 ''Long-Term Care Affordability and Availability Act of 1999''.

SEC. 2. DEDUCTION FOR LONG-TERM CARE HEALTH INSURANCE COSTS FOR INDIVIDUALS NOT ELIGIBLE TO PARTICIPATE IN EMPLOYER-SUBSIDIZED LONG-TERM CARE HEALTH PLANS.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of

1986 (relating to additional itemized deductions) is amended by redesignating section 222 as section 223 and by inserting after section 221 the following new section:

"SEC. 222. QUALIFIED LONG-TERM CARE INSURANCE COSTS.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction an amount equal to the amount of the eligible long-term care premiums (as defined in section 213(d)(10)) paid during the taxable year for coverage of the taxpayer and the spouse and dependents of the taxpayer.

''(b) LIMITATION BASED ON OTHER COVERAGE.—Subsection (a) shall not apply to any taxpayer for any calendar month for which the taxpayer is eligible to participate in any subsidized long-term care plan maintained by any employer of the taxpayer or of the spouse of the taxpayer. For purposes of the preceding sentence, the term 'subsidized long-term care plan' means a subsidized health plan which includes primarily coverage for qualified long-term care services (as defined in section 7702B(c)) or is a qualified long-term care insurance contract (as defined in section 7702B(b)).

''(c) SPECIAL RULES.—

''(1) COORDINATION WITH MEDICAL DEDUCTION.—Any amount paid by a taxpayer for insurance to which subsection (a) applies shall not be taken into account in computing the amount allowable to the taxpayer as a deduction under section 213(a).

''(2) DEDUCTION NOT ALLOWED FOR SELF-EMPLOYMENT TAX PURPOSES.—The deduction allowable by reason of this section shall not be taken into account in determining an individual's net earnings from self-employment (within the meaning of section 1402(a)) for purposes of chapter 2.''

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (C) of section 162(l)(2) of such Code is amended to read as follows:

''(C) LONG-TERM CARE PREMIUMS.—No deduction shall be allowed under this subsection for premiums on any qualified long-term care insurance contract (as defined in section 7702B(b)).''

(2) Subsection (a) of section 62 of such Code is amended by inserting after paragraph (17) the following new paragraph:

''(18) LONG-TERM CARE INSURANCE COSTS OF CERTAIN INDIVIDUALS.—The deduction allowed by section 222.''

(3) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking the last item and inserting the following new items:

''Sec. 222. Qualified long-term care insurance costs.

''Sec. 223. Cross reference.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

S. 36

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 ''The American Worker Long-Term Care Affordability Act of 1999''.

SEC. 2. LONG-TERM CARE INSURANCE.

(a) IN GENERAL.—Subpart G of part III of title 5, United States Code, is amended by adding at the end the following:

"CHAPTER 90—LONG-TERM CARE INSURANCE

''Sec.
''9001. Definitions.
''9002. Availability of insurance.
''9003. Participating carriers.
''9004. Administrative functions.
''9005. Coordination with State laws.
''9006. Commercial items.

"§ 9001. Definitions

''In this chapter:

''(1) The term 'employee' has the meaning given such term by section 8901, but does not include an individual employed by the government of the District of Columbia.

''(2) The term 'annuitant'—

''(A) means—

''(i) a former employee who, based on the service of that individual, receives an annuity under subchapter III of chapter 83, chapter 84, or another retirement system for employees of the Government (disregarding title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) and any retirement system established for employees described in section 2105(c)); and

''(ii) any individual who receives an annuity under any retirement system referred to in clause (i) (disregarding those described parenthetically) as the surviving spouse of an employee (including an amount under section 8442(b)(1)(A), whether or not an annuity under section 8442(b)(1)(B) is also payable) or of a former employee under clause (i); and

''(B) does not include a former employee of a Government corporation excluded by regulation of the Office of Personnel Management or the spouse of such a former employee.

''(3) The term 'eligible relative', as used with respect to an employee or annuitant, means each of the following:

''(A) The spouse of the employee or annuitant.

''(B) The father or mother of the employee or annuitant, or an ancestor of either.

''(C) A stepfather or stepmother of the employee or annuitant.

''(D) The father-in-law or mother-in-law of the employee or annuitant.

''(E) A son or daughter of the employee or annuitant who is at least 18 years of age.

''(F) A stepson or stepdaughter of the employee or annuitant who is at least 18 years of age.

''(4) The term 'Government' means the Government of the United States, including an agency or instrumentality thereof.

''(5) The term 'group long-term care insurance' means group long-term care insurance purchased by the Office of Personnel Management under this chapter.

''(6) The term 'individual long-term care insurance' means any long-term care insurance offered under this chapter which is not group long-term care insurance.

''(7) A carrier shall be considered to be a 'qualified carrier', with respect to a State, if it is licensed to issue group or individual long-term care insurance (as the case may be) under the laws of such State.

''(8) The term 'qualified long-term care insurance contract' has the meaning given such term by section 7702B of the Internal Revenue Code of 1986.

''(9) The term 'State' means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, the Virgin Islands, Guam, American Samoa, and any other territory or possession of the United States.

"§ 9002. Availability of insurance

''(a) The Office of Personnel Management shall establish and administer a program through which employees and annuitants may obtain group or individual long-term care insurance for themselves, a spouse, or, to the extent permitted under the terms of the contract of insurance involved, any other eligible relative.

''(b) Long-term care insurance may not be offered under this chapter unless—

''(1) the only insurance protection provided is coverage under qualified long-term care insurance contracts; and

''(2) the insurance contract under which such coverage is provided is issued by a qualified carrier.

''(c) In addition to the requirements otherwise applicable under section 9001(8), in order to be considered a qualified long-term care insurance contract for purposes of this chapter, a contract shall be fully insured, whether through reinsurance with other companies or otherwise.

''(d) Nothing in this chapter shall be considered to require that long-term care insurance coverage be made available in the case of any individual who would be immediately benefit eligible.

"§ 9003. Participating carriers

''(a) Before the beginning of each year, the Office of Personnel Management shall—

''(1) identify each carrier through whom any long-term care insurance may be obtained under this chapter during such year; and

''(2) prepare a list of the carriers identified under paragraph (1), and a summary description of the insurance obtainable under this chapter from each.

''(b) In order to carry out its responsibilities under subsection (a), the Office shall annually specify the timetable (including any application deadlines) and other procedures that shall be followed by carriers seeking to be allowed to offer long-term care insurance under this chapter during the following year.

''(c) Before the beginning of each year, the Office shall in a timely manner—

''(1) publish in the Federal Register the list (and summary description) prepared under subsection (a) for such year; and

''(2) make available to each individual eligible to obtain long-term care insurance under this chapter such information, in a form acceptable to the Office after consultation with the carrier, as may be necessary to enable the individual to exercise an informed choice among the various options available under this chapter.

''(d)(1) The Office shall arrange to have the appropriate individual or individuals receive—

''(A) a copy of any policy of insurance obtained under this chapter; or

''(B) in the case of group long-term care insurance, a certificate setting forth the benefits to which an individual is entitled, to whom the benefits are payable, and the procedures for obtaining benefits, and summarizing the provisions of the policy principally affecting the individual or individuals involved.

''(2) Any certificate issued under paragraph (1)(B) shall be issued instead of the certificate which the insurance company would otherwise be required to issue.

"§ 9004. Administrative functions

''(a) Except as provided in section 9003, the sole functions of the Office of Personnel Management under this chapter shall be as follows:

''(1) To provide reasonable opportunity (consisting of not less than one continuous 30-day period each year) for eligible employees and annuitants to obtain long-term care insurance coverage under this chapter.

''(2) To provide for a means by which the cost of any long-term care insurance coverage obtained under this chapter may be paid for through withholdings from the pay or annuity of the employee or annuitant involved.

''(3) To contract for a qualified long-term care insurance contract (in the case of group

long-term care insurance) with each qualified carrier that offers such insurance, if such carrier submits a timely application under section 9003(b) and complies with such other procedural rules as the Office may prescribe.

''(b) Nothing in this chapter shall be considered to permit or require the Office to—

''(1) prevent from being offered under this chapter any individual long-term care insurance under a qualified contract; or

''(2) prescribe or negotiate over the benefits to be offered, or any of the terms or conditions under which any such benefits shall be offered, under this chapter.

''§ 9005. Coordination with State laws

''(a) The provisions of any contract under this chapter for group long-term care insurance may include provisions to supersede and preempt any provisions of State or local law described in subsection (b), or any regulation issued thereunder.

''(b) This subsection applies to any provision of law which in effect carries out the same policy as section 5 of the long-term care insurance model Act, promulgated by the National Association of Insurance Commissioners (as adopted as of September 1997).

''§ 9006. Commercial items

''For purposes of the Office of Federal Procurement Policy Act (41 U.S.C. 403 et seq.), a long-term care insurance contract under this chapter shall be considered a commercial item, as defined in section 4(12) of such Act.''.

(b) CONFORMING AMENDMENT.—The table of chapters for part III of title 5, United States Code, is amended by adding at the end of subpart G the following:

''90. Long-Term Care Insurance ... 9001''.

SEC. 3. EFFECTIVE DATE.

The Office of Personnel Management shall take all necessary actions to ensure that long-term care insurance coverage under chapter 90 of title 5, United States Code, (as added by this Act) may be obtained in time to take effect beginning on the first day of the first applicable pay period beginning on or after January 1, 2000.

Mr. GRAHAM. Mr. President, I am pleased to join Senator GRASSLEY in introducing legislation that will allow the Federal Government to be a role model in helping Americans prepare for retirement security.

The issue is long term care insurance.

Several key facts highlights the importance of long term care insurance.

It is estimated that the majority of women and one-third of men who reach the age of 60 will need nursing home care before the end of life. Many of the baby boom generation first face this issue when they deal with their aging parents' needs.

Long term care is one of the most important retirement security issues facing us today. According to a 1997 survey sponsored by the National Council on the Aging, more Americans (69 percent) were worried about how to pay for long term care than were worried about how they would pay for their retirement (56 percent). This level of concern was true for all age groups and income levels among those surveyed.

Their concerns are well-founded. In 1995 the average cost of nursing home care in the United States was $37,000 per year. In some urban areas of the country, that cost can reach $70,000 per year.

Medicare provides short-term care coverage, but the average nursing home stay is two and one-half years. In fact, Medicare pays for only five percent of national nursing home costs.

Not all long term care occurs in nursing homes—85 percent of nursing home care is nonskilled care. Again, Medicare does not cover non-skilled care, so all of these costs must be covered by the patient and his or her family members.

Medicaid will provide nursing home and some nonskilled care coverage, but an individual must be extremely low income, or become low income, to qualify for Medicaid. This program currently pays for over half of nursing home expenses in the United States. But who wants to see their lifetime savings, and their children's inheritance, wiped out to pay for the cost of a catastrophic long term illness?

The end of life is not a pleasant subject for any family to discuss. But the emotional decisions involved are made easier by planning ahead and investing in long term care insurance. That kind of forethought provides needed options at a very vulnerable time.

Although many companies are considering offering this insurance to their employees, as of 1996 only 13.2 percent of long-term care plans were employer-sponsored.

Today, Senator GRASSLEY and I are moving the Federal Government into a leadership role by creating a model long term care insurance program for Federal employees. We hope that our legislation will inspire private companies to increase the long term care options available to their employees.

Under our plan, private companies will have the opportunity to compete to provide long term care insurance to Federal employees. This does not mean a high cost to taxpayers; premiums will be fully paid by federal employees. However, by pooling the numbers of workers in the Federal Government, our plan will encourage reduced group rates.

Only plans qualified under the Health Insurance Portability and Accountability Act of 1996 may offer this insurance to Federal workers through our legislation. Beyond that, we will let the marketplace determine the cost and services of plans available for purchase.

Flexibility is important in this relatively young industry as insurance companies are still in the process of determining how to most effectively provide this product. Competition among the various carriers, group discounts and volume of sales will keep these premiums affordable.

Eleven million Americans, including Federal employees and retirees, their spouses, parents, and in-laws would be eligible for long term care insurance under our proposal. This bill is just a first step, but an important one.

I ask for your support as we continue to improve retirement security for all Americans.

By Mr. GRASSLEY:

S. 37. A bill to amend title XVIII of the Social Security Act to repeal the restriction on payment for certain hospital discharges to post-acute care imposed by section 4407 of the Balanced Budget Act of 1997; to the Committee on Finance.

HOSPITAL TRANSFER PENALTY REPEAL ACT OF 1999

Mr. GRASSLEY. Mr. President, today I have introduced the Hospital Transfer Penalty Repeal Act of 1999. This legislation would repeal the Balanced Budget Act of 1997 (BBA)'s hospital transfer penalty. This law punishes hospitals that make use of the full continuum of care and discourages them from moving patients to the most appropriate levels of post-acute care. I ask my colleagues to spend a few minutes learning about this issue, because I believe that if they do, they will come to see the need for repeal.

The current hospital prospective payment system is based on the average length of stay for a given diagnosis. In some cases, patients stay in the hospital longer than the average and in other cases their stay is shorter. Historically, a hospital has been reimbursed based upon an average length of stay regardless of whether the patient remained in the hospital a day less than the average or a day more than the average.

Under the Balanced Budget Act transfer provision, however, this is no longer the case. If a patient in one of ten specified diagnosis-related groups (DRGs) is released earlier than the national average length of stay for that DRG, the hospital does not receive its full prospective payment. Instead, it receives only a smaller per-diem payment.

This policy penalizes facilities that transfer patients from the hospital to a more appropriate level of care earlier than the average length of stay. It encourages hospitals to ignore the clinical needs of patients and keep them in the most expensive care setting for a longer period of time. In short, it offers an incentive for hospitals to provide an unnecessary level of care, for an unnecessary length of time.

The transfer policy is particularly hard on hospitals in low-cost states like Iowa. Because Iowa's hospitals practice efficient medicine, they have average lengths of stay well below the national average. These hospitals will be hit especially hard. This kind of perverse incentive is part of the problem with Medicare, not part of the solution.

In addition to the irrational incentives this policy creates, administering it is simply maddening for providers. As a knowledgeable Iowa constituent, Joe LeValley of North Iowa Mercy Health System, has pointed out, the law creates conflicting incentives that make clinical management of patients a baffling experience. Medicare now expects physicians to move patients to the most cost-effective level of care as quickly as possible—unless those patients have a condition in one of these

ten DRG's, in which case Medicare wants the physician to keep them in the hospital. Is it any wonder that physicians and hospital administrators are frustrated with Medicare?

In fact, isn't it physicians, not hospital administrators, who should be making decisions about patient care settings? If we think that doctors should be determining the appropriate location for a patient, it seems absurd to force the hospital into that role. But the transfer penalty does exactly that.

In addition, the law holds hospitals accountable for the actions of patients that are no longer under their care. In some cases, patients are not admitted to post-acute care directly from the hospital, and the hospital may not know that the patient is receiving such care, let alone steer the patient to it. The law thus sets hospitals up for accusations of fraud due to events that are beyond their control.

I understand that there are valid grounds for concern about hospitals moving patients to lower levels of care sooner than is clinically appropriate, simply in order to game the reimbursement system. That is unacceptable conduct, and we do need to attack it. I am open to discussions on possible alternatives to outright repeal of the transfer penalty, if these bad apples are the ones targeted. But we need to make sure we don't punish all hospitals—especially the most efficient—for the sins of a few.

This transfer penalty is a serious roadblock to the provision of appropriate and efficient care. Its repeal will help ensure that logical coordinated care remains a primary goal of the Medicare program.

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. 37

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

SECTION 1. REPEAL OF RESTRICTION ON MEDICARE PAYMENT FOR CERTAIN HOSPITAL DISCHARGES TO POST-ACUTE CARE.

(a) IN GENERAL.—Section 1886(d)(5) of the Social Security Act (42 U.S.C. 1395ww(d)(5)), as amended by section 4407 of the Balanced Budget Act of 1997, is amended—

(1) in subparagraph (I)(ii), by striking ''not taking in account the effect of subparagraph (J),'', and

(2) by striking subparagraph (J).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of enactment of this Act.

By Mr. CAMPBELL (for himself, Mr. MACK, and Mrs. HUTCHISON):

S. 38. A bill to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10–year period; to the Committee on Finance.

ESTATE AND GIFT TAX RATE REDUCTION ACT OF 1999

Mr. CAMPBELL. Mr. President, today I introduce a bill that I feel is of vital importance to farmers and family business owners, the Estate and Gift Tax Rate Reduction Act of 1999. I am pleased to be joined by my colleagues Senators MACK and HUTCHISON.

This bill is based on legislation I introduced last year, S. 2318. Unfortunately, the 105th Congress adjourned before we could debate and pass this bill. Since then, I have heard from numerous Coloradans and national organizations and am fully aware that the problems the bill would correct still exist.

Estate and gift taxes remain a burden of American families, particularly those who pursue the American dream of owning their own business. This is because family-owned businesses and farms are hit with the highest tax rate when they are handed down to descendants—often immediately following the death of a loved one. These taxes, and the financial burdens and difficulties they create come at the worst possible time. Making a terrible situation worse is the fact that the rate of this estate tax is crushing, reaching as high as 55 percent for the highest bracket. That's higher than even the highest income tax rate bracket of 39 percent. Furthermore, the tax is due as soon as the business is turned over to the heir, allowing no time for financial planning or the setting aside of money to pay the tax bills. Estate and gift taxes right now are one of the leading reasons why the number of family-owned farms and businesses are declining; the burden of this tax is just too much.

This tax sends the troubling message that families should either sell the business while they are still alive, in order to spare their descendants this huge tax after their passing, or run-down the value of the business, so that it won't make it into their higher tax brackets. Whichever the case may be, it hardly seems to encourage private investment and initiative, which have always been such a strong part of our American heritage.

That is why I again introduce this bill. It will gradually eliminate this tax by phasing it out—reducing the amount of the tax 5% each year, beginning with the highest rate bracket 55%, until the tax rate reaches zero. Several states have already adopted similar plans, and I believe we ought to follow their example. We need to change the message we are sending to farmers and family business owners. Leading organizations agree, and have endorsed this legislation. In fact, over 100 organizations, like the National Federation of Independent Business and the Farm Bureau, have joined together to form the Family Business Estate Tax Coalition, which strongly endorses the bill.

Mr. President, this tax should be eliminated across the board, and I ask my colleagues' help in working to achieve that goal.

Mr. President, I ask unanimous consent that the text of the bill and letters from the American Farm Bureau Federation and Family Business Estate Tax Coalition be printed in the RECORD.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

S. 38

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 ''Estate and Gift Tax Rate Reduction Act of 1999''.

SEC. 2. FINDINGS.

The Congress finds and declares that—

(1) estate and gift tax rates, which reach as high as 55 percent of a decedent's taxable estate, are in most cases substantially in excess of the tax rates imposed on the same amount of regular income and capital gains income; and

(2) a reduction in estate and gift tax rates to a level more comparable with the rates of tax imposed on regular income and capital gains income will make the estate and gift tax less confiscatory and mitigate its negative impacts on American families and businesses.

SEC. 3. PHASEOUT OF ESTATE AND GIFT TAXES.

(a) REPEAL OF ESTATE AND GIFT TAXES.—Subtitle B of the Internal Revenue Code of 1986 (relating to estate and gift taxes) is repealed effective with respect to estates of decedents dying, and gifts made, after December 31, 2009.

(b) PHASEOUT OF TAX.—Subsection (c) of section 2001 of such Code (relating to imposition and rate of tax) is amended by adding at the end the following new paragraph:

''(3) PHASEOUT OF TAX.—In the case of estates of decedents dying, and gifts made, during any calendar year after 1999 and before 2010—

''(A) IN GENERAL.—The tentative tax under this subsection shall be determined by using a table prescribed by the Secretary (in lieu of using the table contained in paragraph (1)) which is the same as such table; except that—

''(i) each of the rates of tax shall be reduced (but not below zero) by the number of percentage points determined under subparagraph (B), and

''(ii) the amounts setting forth the tax shall be adjusted to the extent necessary to reflect the adjustments under clause (i).

''(B) PERCENTAGE POINTS OF REDUCTION.—

''For calendar year:	The number of percentage points is:
2000	5
2001	10
2002	15
2003	20
2004	25
2005	30
2006	35
2007	40
2008	45
2009	50.

''(C) COORDINATION WITH PARAGRAPH (2).—Paragraph (2) shall be applied by reducing the 55 percent percentage contained therein by the number of percentage points determined for such calendar year under subparagraph (B).

''(D) COORDINATION WITH CREDIT FOR STATE DEATH TAXES.—Rules similar to the rules of subparagraph (A) shall apply to the table contained in section 2011(b) except that the number of percentage points referred to in subparagraph (A)(i) shall be determined under the following table:

''For calendar year:	The number of percentage points is:
2000	1½
2001	3

''For calendar year:	The number of percentage points is:
2002	4½
2003	6
2004	7½
2005	9
2006	10½
2007	12
2008	13½
2009	15.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 1999.

AMERICAN FARM BUREAU FEDERATION,
Washington, DC, July 23, 1998.

Hon. BEN NIGHTHORSE CAMPBELL,
U.S. Senate, Washington, DC.

DEAR SENATOR CAMPBELL: Family farm businesses are the mainstay of a food and fiber industry that provides more than 21 million people with jobs and allows Americans to spend less than 10 percent of their incomes on food.

Estate taxes threaten family farms and ranches and the contributions they make to rural communities because farm heirs often have to sell business assets to borrow money to pay death taxes that reach as high as 55 percent. This can destroy the financial health of the enterprise and put farmers and ranchers out of business.

Changes in estate tax laws are needed to foster the transfer of farms and ranches from one generation to the next. Farm Bureau believes that estate taxes should be repealed and supports your legislation. S. 2318, that reduces estate tax rates by 5 percent a year until the tax is eliminated.

Thank you for introducing S. 2318.

Sincerely,

RICHARD W. NEWPHER,
Executive Director, Washington Office.

FAMILY BUSINESS ESTATE
TAX COALITION
May 14, 1998.

Hon. BILL ARCHER,
House of Representatives, Washington, DC.

DEAR REPRESENTATIVE ARCHER: On behalf of the more than 6 million members represented by the 100-plus organizations of the Family Business Estate Tax Coalition, we are writing to urge you to support the estate tax rate reduction and ten year phaseout legislation introduced by Representatives Jennifer Dunn and John Tanner.

Death tax relief, which is pro-business, pro-jobs, pro-family, and pro-economy, is of the utmost importance. What has become clear to economists and policy makers is that the social and economic costs of the estate tax far exceed the revenue it produces for the government.

We applaud Representatives Dunn and Tanner for their straightforward, fair, and financially responsible approach to eliminating an incredibly onerous tax. Join them in recognizing that death should not be a taxable event.

Sincerely,

THE FAMILY BUSINESS
ESTATE TAX COALITION.

THE FAMILY BUSINESS ESTATE TAX COALITION

Air Conditioning Contractors of America.
Alliance for Affordable Healthcare.
American Alliance of Family Business.
American Bakers Association.
American Consult Engineers Council.
American Dental Association.
American Family Business Institute.
American Farm Bureau Federation.
American Forest & Paper Association.
American Horse Council.
American Hotel & Motel Association.
American Institute of CPA's.
American International Automobile Dealers Association.
American Sheep Industry Association.
American Small Businesses Association.
American Soybean Association.
American Supply Association.
American Trucking Associations.
American Vintners Association.
American Warehouse Association.
American Wholesale Marketers Association.
Amway Corporation.
Associated Builders and Contractors.
Associated Equipment Distributor.
Associated General Contractors of America.
Associated Specialty Contractors.
Association for Manufacturing Technology.
Committee to Preserve the American Family Business.
Communicating for Agriculture.
Families Against Confiscatory Estate and Inheritance Taxes.
Farm Credit Council.
Florists' Transworld Delivery Association.
Food Distributors International.
Food Marketing Institute.
Forest Industries Council on Taxation.
Guest & Associates.
Hallmark Cards, Inc.
Independent Bakers Association.
Independent Bankers Association of America.
Independent Forest Products Association.
Independent Insurance Agents of America.
Independent Petroleum Association of America.
Institute of Certified Financial Planners.
International Council of Shopping Centers.
Lake States Lumber Association.
Land Trust Alliance.
Manufacturing Jewelers and Silversmiths Association.
Marine Retailers Association of America.
National Association of Beverage Retailers.
National Association of Convenience Stores.
National Association of Home Builders.
National Association of Manufacturers.
National Association of Music Merchants.
National Association of Plumbing-Heating-Cooling Contractors.
National Association of Realtors.
National Association of State Departments of Agriculture.
National Association of Temporary and Staffing Services.
National Association of the Remodeling Industry.
National Association of Wheat Growers.
National Association of Wholesaler-Distributors.
National Automatic Merchandising Association.
National Automobile Dealers Association.
National Beer Wholesalers Association.
National Cattlemen's Beef Association.
National Corn Growers Association.
National Cotton Council of America.
National Council of Farmer Cooperatives.
National Electrical Contractors Association.
National Electrical Manufacturers Association.
National Farmers Union.
National Federation of Independent Business.
National Funeral Directors Association.
National Grange.
National Grocers Association.
National Hardwood Lumber Association.
National Home Furnishings Association.
National Licensed Beverage Association.
National Marine Manufacturers Association.
National Milk Producers Federation.
National Newspaper Association.
National Pork Producers Council.
National Pre-Cast Concrete Association.
National Restaurant Association.
National Retail Federation.
National Roofing Contractors Association.
National Rural Electric Cooperatives Association.
National Small Business United.
National Telephone Cooperative Association.
National Tire Dealers & Retreaders Association.
National Tooling & Machining Association.
Newsletter Publishers Association.
Newspaper Association of America.
North American Equipment Dealers Association.
Northwest Woodland Owners Council.
Petroleum Marketers Association of America.
Printing Industries of America, Inc.
Promotional Products Association International.
Safeguard America's Family Enterprises.
Sheet Metal and Air Conditioning Contractors' National Association.
Small Business Legislative Council.
Society of American Florists.
Southeastern Lumber Manufacturers Association.
Tax Foundation.
Texas and Southwestern Cattle Raisers Association.
Tire Association of North America.
United Fresh Fruit and Vegetable Association.
U.S. Apple Association.
U.S. Business & Industrial Council.
U.S. Chamber of Commerce.
U.S. Telephone Association.
Washington Council, P.C.
Wine and Spirits Wholesalers.
Wine Institute.
Wood Machinery Manufacturers Association.

COLORADO FARM BUREAU,
Denver, CO, January 18, 1999.

Hon. BEN NIGHTHORSE CAMPBELL,
U.S. Senate, Washington, DC.

MR. CAMPBELL: The Colorado Farm Bureau, the state's largest farming and ranching organization, appreciates your sponsorship of the Estate and Gift Tax Rate Reduction Act. It is our understanding that the bill would amend the Internal Revenue Service Code of 1986 to phase out the estate and gift tax completely over a ten year period.

Farm Bureau policy supports the repeal of the federal estate tax and expanding eligibility for the family business estate tax exemption by reducing and simplifying requirements and restrictions. In 1997, the American Farm Bureau Federation delivered over 20,000 letters to Congress asking for the abolishment of the estate tax.

We believe that estate taxes are a major reason for keeping young farmers and ranchers from continuing on the farm or ranch. Many times a son or daughter cannot pay the exorbitantly high estate tax and are forced to sell all or part of the land to developers. First and foremost this is a threat to our inexpensive food supply. Secondly, this would threaten wildlife habitat and open space. This bill will allow agricultural operations to continue from one generation to the next—like it has for hundreds of years. No person should have to visit the mortuary and IRS agent in the same week.

Thank you for your continued support of agriculture.

Sincerely,

ROGER BILL MITCHELL,
President.

By Mr. STEVENS:

S. 39. A bill to provide a national medal for public safety officers who act

with extraordinary valor above the call of duty, and for other purposes; to the Committee on the Judiciary.

THE PUBLIC SAFETY MEDAL OF VALOR ACT

Mr. STEVENS. Mr. President, we have all been pleased with the recent decline in crime in many areas of the country, and today I am introducing a bill to acknowledge the great commitment and sacrifice public safety officers at every level have made to that decline. From responding to traffic accidents, apprehending violent criminals, fighting fires, combating domestic terrorism, assisting people during natural disasters—not to mention performing the functions many of us take for granted—public safety officers are essential to the well-being and stability of the United States.

While public safety accomplishments often go unrecognized, the selfless service of those who work each day to preserve the peace and improve safety in our communities continues. This past year were reminded of the tremendous sacrifices of this American mainstay when Officers Jacob Chestnut and John Gibson gave their lives defending the peace and protecting lives in our nation's Capitol. In fact, since 1988 over 700 law enforcement officers have been killed in the line of duty, another 629 have been killed in duty-related accidents, and over 600,000 have been assaulted. We owe a tremendous debt to these heroes and to their families who have made such a tremendous sacrifice for the rest of us.

In the past ten years we've had earthquakes, flooding, hurricanes, vast fires, record cold spells, and numerous other natural disasters. Throughout those natural disasters, Americans from around the country counted on firemen, emergency medical technicians, emergency services personnel, and other public safety personnel from all levels of government. The many peaceful moments and days that we enjoy between these disasters and tragedies are the product of the vigilance, dedication, and hard work of those dedicated to the protection of the public.

In recognition and honor of these great public servants, I am introducing the Public Safety Medal of Valor Act. This Act establishes the highest national recognition of valor for public safety personnel for acts above and beyond the call of duty.

Under this legislation, an 11-member Medal Review Board selected by the Congress and by the President will consider nominations of public safety officers and select recipients of the medal. No more than 10 Public Safety Medal of Valor recipients will be selected in one year. I call on all of the members of the Senate and House to join me in support of this important measure to at last provide national recognition to the heroes in the field of public safety.

By Mr. KYL:

S. 47. A bill to establish a commission to study the impact on voter turnout of making the deadline for filing federal income tax returns conform to the date of federal elections; to the Committee on Rules and Administration.

VOTER TURNOUT ENHANCEMENT STUDY COMMISSION ACT

Mr. KYL. Mr. President, I rise today to introduce the Voter Turnout Enhancement Study (VoTES) Commission Act, a bill designed to promote fiscal responsibility while helping to motivate more Americans to get to the polls on Election Day.

Mr. President, when we balanced the unified budget last year, we did so by taxing and spending at a level of about $1.72 trillion. That is a level of spending that is 25 percent higher than when President Clinton took office just six years ago. Our government now spends the equivalent of $6,700 for every man, woman, and child in the country every year. That is the equivalent of nearly $27,000 for the average family of four. But all of that spending comes at a tremendous cost to hard-working taxpayers.

The Tax Foundation estimates that the medium income family in America saw its combined federal, state, and local tax bill climb to 37.6 percent of income in 1997—up from 37.3 percent the year before. That is more than the average family spends on food, clothing, shelter, and transportation combined. Put another way, in too many families, one parent is working to put food on the table, while the other is working almost full time just to pay the bill for the government bureaucracy.

In fact, the tax burden imposed on the American people hit a peacetime high of 19.8 percent of Gross Domestic Product (GDP) in 1997 and, according to the Congressional Budget Office, is continuing to rise—to 20.5 percent in 1998 and 20.6 percent in 1999. That will be higher than any year since 1945, and it would be only the third and fourth years in our nation's entire history that revenues have exceeded 20 percent of national income. Notably, the first tow times revenues broke the 20 percent mark the economy tipped into recession.

Already, economists are beginning to project slower economic growth in coming years. Barring any further shocks from abroad, growth for 1999 to 2003 is estimated at about two percent. The heavy tax burden may not be the only reasons for slow growth, but it is a significant factor. Consider that economic growth avenged 3.9 percent annually during the period after the Reagan tax cuts and before the 1990 tax increase.

I am convinced that the tax burden is growing, in part, because so much of it is obscured from the view of the taxpayers. Withholding, for example, reduces the visibility and minimizes the pain of making large tax payments. FICA taxes paid by an employer on behalf of an employee never show up on a worker's pay stub at all, even though they reduce wages dollar for dollar. By the time Election Day could hardly be farther away from April 15.

If the visibility of the tax burden were increased, people might be more inclined to get to the polls. Move the deadline for filing income-tax returns from April to November and we could give people a reason to vote by focusing their attention on the role of government—and how much it actually costs them—on the single most important day of the year. Moving Tax Day to Election Day would probably result in more change in Washington than anything else we could do. Moreover, maximizing voter turnout is the best way to ensure that government officials heed the will of the people and make sound public policy.

The bill I am introducing today would provide for a thoughtful and thorough analysis of a change in the tax-filing deadline from April to November, it potential effect on voter turnout, as well as any economic impact it might have. The bill explicitly requires that an independent commission conduct a cost-benefit analysis—a requirement that Congress would be wise to impose routinely on legislative initiatives to separate the good ideas from the bad, and save taxpayers a lot of money in the process. A number other cost limiting provisions have been included to protect taxpayers' interests.

While just about every day of the year is celebrated by special interest groups around the country for the government largesee they receive, the taxpayers—the silent majority—have only one day of the year to focus on what that largesse means to them—how much it costs them—and that is Tax Day. I believe that it ought to coincide with Election Day so people can clearly choose between candidates who support higher taxes and more government control, and candidates who favor lower taxes and the right of people to decide for themselves how to spend their own money.

I invite my colleagues to join me in cosponsoring this initiative, and I ask unanimous consent that the text of the bill be reprinted in the Record.

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

S. 47

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 ''Voter Turnout Enhancement Study Commission Act''.

SEC. 2. FINDINGS.

(a) FINDINGS.—The Congress finds that:

(1) The right of citizens of the United States to vote is a fundamental right.

(2) It is the duty of federal, state, and local governments to promote the exercise of that right to vote to the greatest extent possible.

(3) The power to tax is a power that citizens of the United States only guardedly vest in their elected representatives to the federal, state, and local governments.

(4) The only regular contacts most Americans have with their government are the filing of their personal income tax returns and

their participation in federal, state, and local elections.

(5) About 115 million individual income tax returns were filed in 1998, but only about 70 million Americans cast votes in that year's congressional elections.

SEC. 3. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the Voter Turnout Enhancement Study Commission (hereafter in this Act referred to as the 'Commission').

(b) MEMBERSHIP.—

(1) COMPOSITION.—The Commission shall be composed of nine members of whom—

(A) 3 shall be appointed by the President;

(B) 3 shall be appointed by the Majority Leader of the Senate; and

(C) 3 shall be appointed by the Speaker of the House of Representatives.

(c) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed no later than 30 days after the date of the enactment of this Act, and serve for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(d) COMPENSATION.—

(1) RATES OF PAY.—Except as provided in paragraph (2), members of the Commission shall serve without pay.

(2) TRAVEL EXPENSES.—Each member of the Commission shall receive travel expenses, include per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(e) INITIAL MEETING.—No later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

(f) MEETINGS.—After the initial meeting, the Commission shall meet at the call of the Chairman.

(g) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

(h) CHAIRMAN AND VICE CHAIRMAN.—The Commission shall select a Chairman and Vice Chairman from among its members.

SEC. 4. DUTIES OF THE COMMISSION.

(a) STUDY.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of all matters relating to the propriety of conforming the annual filing date for federal income tax returns with the date for holding biennial federal elections.

(2) MATTERS STUDIED.—The matters studied by the Commission shall include—

(A) whether establishment of a single date on which individuals can fulfill their obligations of citizenship as both electors and taxpayers would increase participation in federal, state, and local elections; and

(B) a cost benefit analysis of any change in tax filing deadlines.

(b) REPORT.—No later than 12 months after the date of the enactment of this Act, the Commission shall submit a report to the President and the Congress which shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for such legislation and administrative actions as it considers appropriate.

SEC. 5. POWERS OF THE COMMISSION.

(a) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such information as the Commission considers advisable to carry out the purposes of this Act.

(b) INFORMATION TO BE GATHERED.—The Commission shall obtain information from sources as it deems appropriate, including, but not limited to, taxpayers and their representatives, Governors, state and federal election officials, and the Commissioner of the Internal Revenue Service.

SEC. 6. TERMINATION OF THE COMMISSION.

The Commission shall terminate upon the submission of the report under section 4.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

By Mr. STEVENS:

S. 49. A bill to amend the wetlands program under the Federal Water Pollution Control Act to provide credit for the low wetlands loss rate in Alaska and recognize the significant extent of wetlands conservation in Alaska property owners, and to ease the burden on overly regulated Alaskan cities, boroughs, owners, and to ease the burden on overly regulated Alaskan cities, boroughs, municipalities, and villages; to the Committee on Environment and Public Works.

Mr. STEVENS. Mr. President, according to the United States Fish and Wildlife Service more than 221,000,000 acres of wetlands existed at the time of Colonial America in the area that is now the contiguous United States. Since then 117,000,000 of those areas, roughly 53 percent, have been filled, drained, or otherwise removed from wetland status.

In the 1972 Federal Water Pollution Control Act, more commonly known as the Clean Water Act, Congress broadly expanded Federal jurisdiction over wetlands by modifying the definition of ''navigable waters'' as used in the 1899 Rivers and Harbors Act. The 1899 Act established the basis for regulating disposition of dredge spoils in navigable waters. The 1972 Act expanded that basis to encompass all ''water of the United States''.

In 1975, a United States district court ordered the Army Corps of Engineers to publish revised regulations concerning their program to implement section 404 of the Clean Water Act. Since then, the Courts have further expanded upon the Corps's authority to include isolated wetlands and have issued decisions that effectively constrain agency decision makers to act only to promote conservation, often at the expense of sound economic development. This expansion of Congressional intent has also formed the basis for burdensome intrusions on the property rights of many Alaskans, Alaskan Native Corporations, and the State of Alaska.

The erosion of agency discretion clearly undermines the Corps of Engineers' ability to implement sound public policy in my State. Over the 100 years since the Rivers and Harbors Act, their ''Section 404'' regulatory program has become unnecessarily inflexible and unresponsive to common sense. In recognizing the value of preserving and restoring wetlands where appropriate, Congress intended to leave appropriate discretion to agency managers to balance competing public values. That intent has lost flexibility with age. Today the lack of regulatory flexibility threatens to destroy the economic health of many Alaskans. We are being over-regulated to the point of economic strangulation.

According to the United States Fish and Wildlife Service, approximately 170,200,000 acres of wetlands existed in Alaska in the 1780's and approximately 170,000,000 acres of wetlands exist now. That represents a loss of less than one-tenth of 1 percent through the combined effects of either human or natural processes.

Alaska contains more wetlands than all of the other States combined. Fully 75 percent of the non-mountainous areas of Alaska are wetlands. Yet we are regulating these vast wetlands in Alaska to the same strict levels as all the other states, without regard to either special economic hardships or the unnecessary federal expense this causes.

Ninety-eight percent of all Alaskan communities, including 200 of the 226 remote villages in Alaska, which incidently are dispersed over 1/5th of the land mass of the United States, are located in or adjacent to wetlands. To promote the economic self sufficiency of these remote communities, about 43,000,000 acres of land were granted to Alaska Natives through regional and village corporations.

These Native allotments were intended to be available for use. However between 45 percent and 100 percent of each Native corporation's land is categorized as wetlands. Therefore development of these Native lands and basic community infrastructure is delayed or even prevented by an ever tightening regulatory regime designed to protect an excessively abundant resource in Alaska because it is scarce elsewhere in the Union.

Naturally Alaska villages, municipalities, boroughs, city governments, and Native organizations are increasingly frustrated with the constraints of the wetlands regulatory program because it interferes with the location of community centers, airports, sanitation systems, roads, schools, industrial areas, and other critical community infrastructure.

The same is true of State-owned lands. 104,000,000 acres of land were granted to the State of Alaska at statehood for purposes of economic development. Nowhere is flexibility more appropriate than on these lands. What minimal identifiable environmental benefits expected from the ever tightened regulation of wetlands are certainly not justified in Alaska.

The Federal Government already has vast wetlands holdings in Alaska under the protection of a variety of Federal land management programs. In Alaska we have 62 percent of all federally designated wilderness lands, 70 percent of all Federal park lands, and 90 percent of all Federal refuge lands, thus providing protection against use or degradation for approximately 60,000,000 acres of wetlands. National policies intended to achieve 'no net loss' of wetlands reflect a response to the 53 percent loss

of the wetlands base in the 48 contiguous States, but do not take into account the large percentage of conserved wetlands in Alaska.

Only 12 percent of Alaska's wetlands are privately owned, compared to 74 percent of the wetlands in the 48 contiguous States. Wetlands regulation designed to protect a large majority of a dwindling resource are clearly too strict where they would only apply to a small percentage of a vase resource. Unfortunately, Federal agencies no longer enjoy the discretion to modify their program to address these special circumstances. As a result, individual landowners in Alaska have lost up to 97 percent of their property value and Alaskan communities have lost a significant portion of their tax base due to wetlands regulations.

Expansion of the wetlands regulatory program in this manager is beyond what the Congress intended when it passed the Clean Water Act. In Alaska, it has placed unnecessary economic and administrative burdens on private property owners, small businesses, city governments, State government, farmers, ranchers, and others, while providing negligible environmental benefits.

It is time to stop using the wrong regulatory tools. For a State, such as Alaska, with substantial conserved wetlands, my bill provides much needed relief from the excessive burdens of the current cumbersome federal wetlands regulatory program. It relaxes the most stringent aspects of wetlands regulation, without dismantling agency discretion to regulate where necessary. This bill restores common sense and cost effectiveness without loss of high value wetlands.

By Mr. BIDEN (for himself, Mr. SPECTER, Mrs. BOXER, Mrs. MURRAY, Ms. MIKULSKI, Ms. LANDRIEU, Mrs. FEINSTEIN, Mrs LINCOLN, Ms. SNOWE, Mr. LAUTENBERG, Mr. REID, Mr. REED, Mr. DODD, Mr. INOUYE, Mr. KERRY, Mr. ROBB, Mr. SCHUMER, Mr. WELLSTONE, and Mr. KENNEDY):

S. 51. A bill to reauthorize the Federal programs to prevent violence against women, and for other purposes; to the Committee on the Judiciary.

VIOLENCE AGAINST WOMEN ACT II

Mr. BIDEN. Mr. President, I rise to introduce the Violence Against Women Act II. I am pleased to be joined by several of my colleagues on both sides of the aisle who are co-sponsoring this legislation. My colleagues joining me today include Senators SPECTER, BOXER, MURRAY, MIKULSKI, LANDRIEU, FEINSTEIN, LINCOLN, SNOWE, LAUTENBERG, REID, REED, DODD, INOUYE, KERRY, ROBB, KENNEDY, WELLSTONE, and SCHUMER.

Nearly 9 years ago when I first introduced the Violence Against Women Act, it was by no means a given that this body would consider it, let alone pass it. Although it may seem hard to believe now, at that time—less than a decade ago—few thought it either appropriate or necessary for national legislation to be enacted to confront the very serious problem of domestic violence and sexual assault.

The road to enactment was a long one. As Chairman of the Judiciary Committee in the early 1990's, I convened several hearings on the bill and released many reports on the problem of violence against women. Three times I convinced the Judiciary Committee to favorably report the bill to the full Senate. Twice, I had to re-introduce the bill.

Nearly 4 years passed from the original Violence Against Women Act's first introduction before the Senate fully considered it. But at last—in September of 1994—the Violence Against Women Act became the law of our land. And, it did so with substantial support from my colleagues on both sides of the aisle, clearing demonstrating what I have always known to be the case—that the fight to combat domestic violence and sexual assault is not a partisan issue, but a serious problem that affects our constituents in every one of our States and in every one of our home towns across this country.

But even this bipartisan support to pass the act into law did not resolve the dispute as to whether the problem of violence against women merited a national response. As many of my colleagues will recall, throughout the summer of 1995, the Congress debated whether or not we should actually fund the Violence Against Women Act.

Fortunately, by the fall of that year, the Congress finally reached a consensus that the Federal Government both can and should provide significant resources and leadership in a national effort to end the violence women suffer at the hands of men, many of who they live with or have children with. That consensus continues to this day.

Let me provide just a few statistics and examples to show how successful the initiative to fight violence against women has been, but how far we still have to go:

On the one hand, the number of women killed by someone with whom they are in an intimate relationship—such as a current or former spouse, a cohabiting partner, or a current or former boyfriend—had decreased markedly—by 60 percent—in 1996 as compared with where it was 20 years earlier.

And, the total number of women victims of domestic violence is decreasing as well. In 1993, the year before the Violence Against Women Act became law, 1.1 million women reported being the victim of domestic violence or sexual assault. By 1996, the last year for which we have complete statistics, the number had fallen by 25 percent to about 840,000. This is still far, far too many, of course—even one victim is too many—but it represents an encouraging trend nonetheless that I believe we can attribute in part to the successes of this national effort.

However, the news is not all good. One-fourth—25 percent—of women responding to a nationwide survey in late 1995 and early 1996 said that they had been raped or physically assaulted by a current or former spouse, cohabiting partner, or date in their lifetimes. And demonstrating that violence against women is primarily domestic partner violence, 76 percent of women who have been raped or physically assaulted since age 18 were attacked by a current or former husband, cohabiting partner, or date. These are troubling statistics. But the successes of the Violence Against Women Act are combating these trends in a variety of ways, such as:

Putting thousands of trained police officers on the streets to arrest abusers before they can victimize again; supporting police officers as they work to help victims; adding trained prosecutors who put these abusers where they belong—in jail—or enforce protective orders to keep them away from those they have abused; tens of thousands of women and their children have access to shelters that provide a safe haven; victims of domestic violence and sexual assault have access to a wide array of support services from counseling to legal assistance; and a national domestic violence hotline handles hundreds of thousands of calls for help.

Our consensus in the Congress reflects a fundamental agreement across our Nation: The time when a woman had to suffer—in silence and alone—because the criminal who is victimizing her happens to be her husband or boyfriend is on its way to becoming ancient history.

Today, we must build on this consensus and deliver on its promise—because for all the strides we have made, there remain far too many women and their children who are still vulnerable. The statistics I reported just now reflect that reality. Just because we have had some success does not mean we can become complacent and abandon the fight against domestic violence now. And so, the legislation I am introducing today—the Violence Against Women Act II—has one simple goal: make more women and their children more safe.

This legislation builds on the tremendous successes of the original Violence Against Women Act in three key ways—it continues what is working; it seeks to improve what could work better; and it expands the national fight into new areas where the need is clear.

There are many other ideas and proposals in addition to those contained in this bill that deserve serious consideration before the full Senate debates this legislation. And, I am sure there are ways to refine and improve this bill. I look forward to working with my colleagues on both sides of the aisle to make this bill the best it can be. There are many Senators who are deeply committed to combating violence against women, and many of them have joined me today, for which I am grateful. I encourage all of my colleagues to

review this legislation, offer their insights and lend their names as co-sponsors and leaders in the fight against domestic violence. I believe they will find that it offers comprehensive, sensible, workable, and cost-effective responses to combating violence against women.

Before I describe some highlights of this legislation, let me first emphasize what I believe to be the key, core element of the violence against women II. That central factor is a simple one—the money. We need to ensure that there continues to be dollars for cops, courts, prosecutors, judges, shelters, and all the elements which are working. Keeping the money flowing to where it works requires one simple yet crucial step—extending the violent crime reduction trust fund to 2002. The trust fund is due to expire in 2000. This is perhaps the most significant provision in the act I introduce today, and without it we will fail in the future to replicate our past successes in combating violence against women.

Beyond this fundamental step—and I cannot overemphasize the importance of the trust fund—there are four key policy areas addressed by the Violence Against Women Act II: strengthening law enforcement's tools; improving services for the victims of violence; reducing violence against children; and enhancing and supporting training and education efforts to enlist many more professionals in our shared fight.

On the law enforcement front, the bill introduced today starts with needed improvements to promote interstate and inter-jurisdictional enforcement of ''stay-away,'' or protection, orders. This is also known as giving ''full faith and credit'' to valid protection orders from any jurisdiction where they were issued. It often happens that the cops in one State may not know that there is a valid protection order issued by another jurisdiction. It is not their fault—it is often a matter of training to recognize valid orders or the means of communicating and sharing information across state lines. This is a mobile society, and victims of domestic violence often find they must flee the place they live and where they previously obtained a protection order so that they can keep themselves and their children safe. For these situations, we propose today a few simple fixes: Permitting state and local cops to use their ''pro-arrest'' grants for this kind of information sharing; encouraging states to enter into the cooperative agreements necessary to help interstate enforcement; and calling on the Justice Department to help develop new protocols and disseminate the ''best practices'' of State and local cops.

These are all simple and common sense solutions, but very necessary nevertheless. This bill will help these fixes become reality.

Other initiatives in this bill are to: Enhance and expand the resources available for courts to handle domestic violence and sexual assault cases; target the ''date-rape'' drug with the maximum federal penalties; continue funding for police, prosecutors, law enforcement efforts in rural communities, and for anti-stalking initiatives; and extend the support of local police ''pro-arrest'' efforts.

Of course, a comprehensive effort to reduce violence against women and lessen the harm it causes must do more than just arrest, convict and imprison abusers—we must also help the victims of violence. This legislation proposes to assist these crime victims in three fundamental ways: Providing a means for immediate protections from their abusers, such as through access to shelters; easier access to the courts and to the legal assistance necessary to keep their abusers away from them; and removing the ''catch–22s'' that sometimes literally compel women to stay with their abusers—such as discriminatory insurance policies that could force a mother to choose between turning in the man who is beating her or keeping health insurance for her children. Another ''catch–22'' affects immigrant women who are sometimes faced with a similar insidious ''choice.'' In 1994, we worked out provisions so battered immigrant women—whose ability to stay in the country was dependent on their husbands—would not have to choose between staying in this country and continuing to be beaten, or leaving their abusers, but in doing so have to also leave our country (perhaps even without their children). This bill fixes aspects of this problem that leave an abused woman with such a horrible, unfair and immoral choice.

Those are this bill's three general policy goals. Let me outline more specifically just how our legislation proposes to boost the protections for the victims of violence.

First and foremost, we must build on our successful effort to provide more shelter space for battered women and their children. There have been significant efforts already to fund shelters for women who are victims of domestic violence and their children. However, the unmet need for shelter remains significant. For example, data from six states, which together have about 16 percent of the nation's population had to turn away more than 45,000 battered women who were seeking shelter because they simply did not have the space. Extrapolating these figures to the entire nation suggests that about 300,000 battered women and their children are turned away from shelters every year.

Current appropriations for shelter space stands at about $89 million. This legislation boosts this amount to $500 million over the the next three years. The additional money will help close the ''shelter-gap'' and bring us closer to the day when all battered women will have a safe, secure haven when they need it most.

We must also provide women with the Assistance necessary so that they can get access to help from our justice system. This bill does so in some clear and common sense ways, such as: Reauthorizing the expiring program to provide about $1 million per year for victim and witness counselors in court; continuing and expanding the highly successful national domestic violence hotline at a cost of about $4 million a year); and developing a coordinated approach to connecting victims of domestic abuse with trained, volunteer attorneys who can provide critical legal assistant.

To them at this very vulnerable time in their lives. I urge my colleagues to support—and even build upon—our efforts to put an end these real problems.

A third area where this legislation seeks action is on reducing violence against children. As my colleagues know, households where a woman is beaten are much more likely to also be home to child abuse and neglect. Moreover, we know that children who witness violence are much more likely to repeat the cycle when they are adults.

Here, our legislation proposes to continue two longstanding programs by providing: Resources to serve runaway and homeless youth who are victims of sexual abuse; and resources for court-appointed special advocates and special child abuse training for court personnel through the victims of child abuse act (originally cosponsored by Senator THURMOND and myself in 1990.)

The remaining area targeted by the Violence Against Women Act—two includes several efforts to help train and educate those already on the frontlines of the battle against violence against women.

Over the past few years, I have worked with several corporations who have begun their own workplace initiatives—everything from 24-hour assistance hotlines for their employees, training to help managers better recognize domestic violence, and even comprehensive employee assistant efforts.

Helping other companies start or improve—on their own initiative—such anti-violence efforts is why this legislation includes a national workplace clearinghouse on violence against women. The clearinghouse will provide technical assistance and help circulate best practices to companies interested in combating violence against women.

Another problem in the field involves the complex nature of criminal investigations into sexual assault cases. To assist the cops in the field who conduct these investigations, this legislation calls on the Attorney General to evaluate and recommend standards of training and practice of forensic examinations following sexual assaults.

Finally, this legislation continues the authorization for rape prevention and education programs. These programs provide public awareness and education efforts to teach young women how to protect themselves from rape and attack.

I have just offered the most general outline of the contents of the Violence Against Women Act II. I introduced

this legislation in the last session of Congress. My colleagues and I worked diligently and productively on it last year and made substantial progress. This year, I am determined that we will complete the work we started last year and pass the Violence Against Women Act II.

I urge my colleagues to review this legislation carefully. This is not just a bipartisan effort—it is a non-partisan effort in which I hope every one of my colleagues will join me. I am confident they will find this bill a comprehensive and practical response that will help us meet a goal I believe is shared by every member of this Senate—making more women and more children more safe now and in the future.

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. 51

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Violence Against Women Act II''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—STRENGTHENING LAW ENFORCEMENT TO REDUCE VIOLENCE AGAINST WOMEN

Sec. 101. Full faith and credit enforcement of protection orders.
Sec. 102. Role of courts.
Sec. 103. Reauthorization of STOP grants.
Sec. 104. Control of date-rape drug.
Sec. 105. Reauthorization of grants to encourage arrest policies.
Sec. 106. Violence against women in the military system.
Sec. 107. Hate crimes prevention.
Sec. 108. Reauthorization of rural domestic violence and child abuse enforcement grants.
Sec. 109. National stalker and domestic violence reduction.
Sec. 110. Amendments to domestic violence and stalking offenses.

TITLE II—STRENGTHENING SERVICES TO VICTIMS OF VIOLENCE

Sec. 201. Civil legal assistance.
Sec. 202. Shelters for battered women and children.
Sec. 203. Victims of abuse insurance protection.
Sec. 204. National domestic violence hotline.
Sec. 205. Federal victims' counselors.
Sec. 206. Battered women's employment protection.
Sec. 207. Ensuring unemployment compensation.
Sec. 208. Battered immigrant women.
Sec. 209. Older women's protection from violence.

TITLE III—LIMITING THE EFFECTS OF VIOLENCE ON CHILDREN

Sec. 301. Safe havens for children.
Sec. 302. Study of child custody laws in domestic violence cases.
Sec. 303. Reauthorization of runaway and homeless youth grants.
Sec. 304. Reauthorization of victims of child abuse programs.

TITLE IV—STRENGTHENING EDUCATION AND TRAINING TO COMBAT VIOLENCE AGAINST WOMEN

Sec. 401. Education and training of health professionals.
Sec. 402. Education and training in appropriate responses to violence against women.
Sec. 403. Rape prevention and education.
Sec. 404. Violence against women prevention education among youth.
Sec. 405. Education and training to end violence against and abuse of women with disabilities.
Sec. 406. Community initiatives.
Sec. 407. National commission on standards of practice and training for sexual assault examinations.
Sec. 408. National workplace clearinghouse on violence against women.
Sec. 409. Strengthening research to combat violence against women.

TITLE V—EXTENSION OF VIOLENT CRIME REDUCTION TRUST FUND

Sec. 501. Extension.

SEC. 2. DEFINITIONS.

In this Act—

(1) the term ''domestic violence'' has the meaning given the term in section 2003 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2); and

(2) the term ''sexual assault'' has the meaning given the term in section 2003 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C.3796gg–2).

TITLE I—STRENGTHENING LAW ENFORCEMENT TO REDUCE VIOLENCE AGAINST WOMEN

SEC. 101. FULL FAITH AND CREDIT ENFORCEMENT OF PROTECTION ORDERS.

(a) IN GENERAL.—Part U of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796hh et seq.) is amended—

(1) in the part heading, by adding ''**AND ENFORCEMENT OF PROTECTION ORDERS**'' at the end;

(2) in section 2101(b), by adding at the end the following:

''(7) To provide technical assistance and computer and other equipment to police departments, prosecutors, courts, and tribal jurisdictions to facilitate the widespread enforcement of protection orders, including interstate enforcement, enforcement between States and tribal jurisdictions, and enforcement between tribal jurisdictions.''; and

(3) in section 2102—

(A) in subsection (b)—

(i) in paragraph (1), by striking ''and'' at the end;

(ii) in paragraph (2), by striking the period at the end and inserting '', including the enforcement of protection orders from other States and jurisdictions (including tribal jurisdictions);''; and

(iii) by adding at the end the following:

''(3) have established cooperative agreements with neighboring jurisdictions to facilitate the enforcement of protection orders from other States and jurisdictions (including tribal jurisdictions); and

''(4) will give priority to using the grant to develop and install data collection and communication systems, including computerized systems, linking police, prosecutors, courts, and tribal jurisdictions for the purpose of identifying and tracking protection orders and violations of protection orders.''; and

(B) by adding at the end the following:

''(c) DISSEMINATION OF INFORMATION.—The Attorney General shall annually compile and broadly disseminate (including through electronic publication) information about successful data collection and communication systems that meet the purposes described in subsection (b)(3). Such dissemination shall target States, State and local courts, Indian tribal governments, and units of local government.''.

(b) CUSTODY AND PROTECTION ORDERS.—Section 2265 of title 18, United States Code, is amended by adding at the end the following:

''(d) REGISTRATION.—

''(1) IN GENERAL.—A State or Indian tribe shall not notify the party against whom a protection order has been made that the protection order has been registered or filed in the State or tribal jurisdiction unless requested to do so by the party protected under that order.

''(2) NO PRIOR REGISTRATION OR FILING REQUIRED.—Nothing in this subsection may be construed to require the prior filing or registration of a protection order in an enforcing State in order to secure enforcement pursuant to subsection (a).

''(e) NOTICE.—A protection order that is otherwise consistent with this section shall be accorded full faith and credit and enforced notwithstanding the failure to provide notice to the party against whom the order is made of its registration or filing in the enforcing State or Indian tribe.''.

(c) TECHNICAL AMENDMENT.—The table of contents for title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711 et seq.) is amended in the item relating to part U, by adding ''AND ENFORCEMENT OF PROTECTION ORDERS'' at the end.

SEC. 102. ROLE OF COURTS.

(a) COURTS AS ELIGIBLE STOP GRANTEES.—Part T of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg et seq.) is amended—

(1) in section 2001—

(A) in subsection (a)—

(i) by inserting ''State and local courts,'' after ''States,''; and

(ii) by inserting ''tribal courts,'' after ''Indian tribal governments,''; and

(B) in subsection (b)—

(i) in each of paragraphs (1) and (2), by inserting '', judges and other court personnel,'' after ''law enforcement officers''; and

(ii) in paragraph (3), by inserting '', court,'' after ''police''; and

(2) in section 2002—

(A) in subsection (a), by inserting ''State and local courts,'' after ''States,'' the second place it appears;

(B) in subsection (c), by striking paragraph (3) and inserting the following:

''(3) of the amount granted—

''(A) not less than 25 percent shall be allocated to police and prosecutors;

''(B) not less than 30 percent shall be allocated to victim services; and

''(C) not less than 10 percent shall be allocated for State and local courts; and''; and

(C) in subsection (d)(1), by inserting ''court,'' after ''law enforcement,''.

(b) REAUTHORIZATION OF STATE JUSTICE INSTITUTE GRANTS.—Chapter 1 of subtitle D of the Violence Against Women Act of 1994 (42 U.S.C. 13991 et seq.) is amended—

(1) in section 40412—

(A) in paragraph (6), by inserting ''stereotyping of individuals with disabilities (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)) who are victims of rape, sexual assault, abuse, or violence,'' before ''racial stereotyping'';

(B) in paragraph (13), by inserting ''or among individuals with disabilities (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)),'' after ''socioeconomic groups,'';

(C) in paragraph (18), by striking ''and'' at the end;

(D) in paragraph (19), by striking the period at the end and inserting a semicolon; and

(E) by adding at the end the following:

''(20) domestic violence and child abuse in custody determinations and stereotypes regarding the fitness of individuals with disabilities (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)) to retain custody of children in domestic violence cases;

''(21) promising practices in the vertical management of domestic violence offender cases; and

''(22) issues relating to violence against and abuse of individuals with disabilities (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)), including the nature of physical, mental, and communications disabilities, the special vulnerability to violence of individuals with disabilities, and the types of violence and abuse experienced by individuals with disabilities.''; and

(2) in section 40414, by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this chapter $600,000 for each of fiscal years 2000 through 2002.''.

(c) FEDERAL JUDICIAL PERSONNEL.—In carrying out section 620(b)(3) of title 28, United States Code, the Federal Judicial Center, shall include in its educational and training programs, including the training programs for newly appointed judges, information on the topics listed in section 40412 of the Equal Justice for Women in the Courts Act (42 U.S.C. 13992) that pertain to issues within the jurisdiction of the Federal courts, and shall prepare materials necessary to implement this section and the amendments made by this section.

(d) GRANTS TO ENCOURAGE ARREST POLICIES.—

(1) ELIGIBLE GRANTEES; USE OF GRANTS FOR EDUCATION.—Section 2101 of part U of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796hh) is amended—

(A) in subsection (a), by inserting ''State and local courts, tribal courts,'' after ''Indian tribal governments,'';

(B) in each of subsections (b) and (c), by inserting ''State and local courts,'' after ''Indian tribal governments''; and

(C) in subsection (b)—

(i) in paragraph (2), by striking ''policies and'' and inserting ''policies, educational programs, and''; and

(ii) in each of paragraphs (3) and (4), by inserting ''parole and probation officers,'' after ''prosecutors,'' each place that term appears.

(2) ALLOTMENT FOR INDIAN TRIBES.—Section 2101 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796hh) is amended by adding at the end the following:

''(d) ALLOTMENT FOR INDIAN TRIBES.—

''(1) IN GENERAL.—Not less than 5 percent of the total amount made available for grants under this section for each fiscal year shall be available for grants to Indian tribal governments.

''(2) REALLOTMENT OF FUNDS.—If, beginning 12 months after the first day of any fiscal year for which amounts are made available under this subsection, any amount made available under this subsection remains unobligated, the unobligated amount may be allocated without regard to paragraph (1) of this subsection.''.

SEC. 103. REAUTHORIZATION OF STOP GRANTS.

(a) REAUTHORIZATION.—Section 1001(a)(18) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3793(a)(18)) is amended to read as follows:

''(18) There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out part T $184,000,000 for fiscal year 2000, $185,000,000 for fiscal year 2001, and $186,000,000 for fiscal year 2002.''.

(b) STATE COALITION GRANTS.—Part T of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg et seq.) is amended—

(1) in section 2001—

(A) in subsection (b)(5), by inserting '', and the forms of violence and abuse suffered by women who are individuals with disabilities (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102))''; and

(B) by adding at the end the following:

''(c) STATE COALITION GRANTS.—

''(1) PURPOSE.—The Attorney General shall make grants to each State domestic violence coalition and sexual assault coalition for the purposes of coordinating State victim services activities, and collaborating and coordinating with Federal, State, and local entities engaged in violence against women activities.

''(2) GRANTS TO STATE COALITIONS.—The Attorney General shall make grants to—

''(A) each State domestic violence coalition, as determined by the Secretary of Health and Human Services through the Family Violence Prevention and Services Act (42 U.S.C. 10410 et seq.); and

''(B) each State sexual assault coalition, as determined by the Secretary of Health and Human Services under the Public Health Service Act.

''(3) ELIGIBILITY FOR OTHER GRANTS.—Receipt of an award under this subsection by each State domestic violence and sexual assault coalition shall not preclude the coalition from receiving additional grants under this part to carry out the purposes described in subsection (b).'';

(2) in section 2002(b)—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(B) by inserting after paragraph (1) the following:

''(2) 2 percent shall be available for grants for State coalitions under section 2001(c), with the coalition for each State, the coalition for the District of Columbia, the coalition for the Commonwealth of Puerto Rico, and the coalition for the combined Territories of the United States each receiving an amount equal to 1/53 of the total amount made available under this paragraph for each fiscal year;''; and

(3) in section 2003—

(A) in paragraph (1), by inserting ''by a person with whom the victim has engaged in a social relationship of a romantic or intimate nature'' after ''child in common,'';

(B) in paragraph (8)—

(i) by striking ''assisting domestic violence or sexual assault victims through the legal process'' and inserting ''providing assistance for victims seeking legal, social, or health care services''; and

(ii) by inserting before the period at the end the following: '', except that the term does not include any program or activity that is targeted primarily for offenders''; and

(C) in paragraph (7), by striking ''physical''.

(d) REALLOTMENT OF FUNDS.—Section 2002(e) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–1(e)) is amended by adding at the end the following:

''(3) REALLOTMENT OF FUNDS.—

''(A) IN GENERAL.—If, beginning 1 year after the last day of any fiscal year for which amounts are made available under section 1001(a)(18), any amount made available remains unobligated, the unobligated amount may be allocated by a State to fulfill the purposes described in section 2001(b), without regard to subsection (c)(3) of this section.

''(B) GUIDELINES.—The Attorney General shall promulgate guidelines to implement this paragraph.''.

SEC. 104. CONTROL OF DATE-RAPE DRUG.

Notwithstanding section 201 or subsection (a) or (b) of section 202 of the Controlled Substances Act (21 U.S.C. 811, 812(a), 812(b)) respecting the scheduling of controlled substances, the Attorney General shall by order transfer flunitrazepam from schedule IV of such Act to schedule I of such Act.

SEC. 105. REAUTHORIZATION OF GRANTS TO ENCOURAGE ARREST POLICIES.

Section 1001(a)(19) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3793(a)(19)) is amended to read as follows:

''(19) There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out part U $64,000,000 for fiscal year 2000, $65,000,000 for fiscal year 2001, and $66,000,000 for fiscal year 2002.''.

SEC. 106. VIOLENCE AGAINST WOMEN IN THE MILITARY SYSTEM.

(a) CRIMINAL OFFENSES COMMITTED OUTSIDE THE UNITED STATES BY PERSONS ACCOMPANYING THE ARMED FORCES.—

(1) IN GENERAL.—Title 18, United States Code, is amended by inserting after chapter 211 the following:

''CHAPTER 212—DOMESTIC VIOLENCE AND SEXUAL ASSAULT OFFENSES COMMITTED OUTSIDE THE UNITED STATES

''Sec.
''3261. Definitions.
''3262. Domestic violence and sexual assault offenses committed by persons employed by or accompanying, the Armed Forces outside the United States.
''3263. Delivery to authorities of foreign countries.
''3264. Regulations.

''§ 3261. Definitions

''In this chapter—

''(1) the term 'armed forces' has the same meaning as in section 101(a)(4) of title 10;

''(2) a person is 'employed by the Armed Forces outside of the United States' if the person—

''(A) is an employee of the Department of Defense;

''(B) is present or residing outside of the United States in connection with such employment; and

''(C) is a national of the United States, as defined in 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)); and

''(3) a person is 'accompanying the Armed Forces outside of the United States' if the person—

''(A) is a dependent of a member of the armed forces, as determined under regulations prescribed pursuant to section 3264;

''(B) is a dependent of an employee of the Department of Defense, as determined under regulations prescribed pursuant to section 3264;

''(C) is residing with the member or employee outside of the United States; and

''(D) is a national of the United States, as defined in 101(a)(22) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(22)).

''§ 3262. Domestic violence and sexual assault offenses committed by persons employed by or accompanying the Armed Forces outside the United States

''(a) IN GENERAL.—Whoever, while employed by or accompanying the Armed Forces outside of the United States, engages

in conduct that would constitute a domestic violence or sexual assault offense, if the conduct had been engaged in within the special maritime and territorial jurisdiction of the United States, shall be subject to prosecution in a district court of the United States.

''(b) CONCURRENT JURISDICTION.—Nothing contained in this chapter deprives courts-martial, military commissions, provost courts, or other military tribunals of concurrent jurisdiction with respect to offenders or offenses that by statute or by the law of war may be tried by courts-martial, military commissions, provost courts, or other military tribunals.

''(c) PRIORITY OF EXERCISE OF JURISDICTION.—

''(1) ACTION BY MILITARY TRIBUNAL.—No prosecution may be commenced in the United States district court under this section until an official of the Department of Defense designated pursuant to regulations jointly prescribed by the Attorney General, the Secretary of Defense, and the Secretary of Transportation (with respect to the Coast Guard when it is not operating as a service in the Navy) waives the exercise of jurisdiction referred to in subsection (b) in accordance with procedures set forth in the regulations.

''(2) ACTION BY FOREIGN GOVERNMENT.—No prosecution may be commenced in a district court under this section if a foreign government, in accordance with jurisdiction recognized by the United States, has prosecuted or is prosecuting such person for the conduct constituting such offense, except upon the approval of the Attorney General of the United States or the Deputy Attorney General of the United States (or a person acting in either such capacity), which function of approval shall not be delegated.

''(d) ARRESTS.—

''(1) LAW ENFORCEMENT PERSONNEL.—The Secretary of Defense may designate and authorize any person serving in a law enforcement position in the Department of Defense to arrest outside of the United States any person described in subsection (a) if there is probable cause to believe that such person engaged in conduct which constitutes a criminal offense under subsection (a).

''(2) RELEASE TO CIVILIAN LAW ENFORCEMENT.—A person arrested under paragraph (1) shall be released to the custody of civilian law enforcement authorities of the United States for removal to the United States for judicial proceedings in the United States district court of the named jurisdiction of origin of the person arrested in relation to conduct referred to in such paragraph if—

''(A) military jurisdiction has been waived under subsection (c)(1) in the case of that person; and

''(B) that person has not been, and is not to be, delivered to authorities of a foreign country under section 3263; or

''§ 3263. Delivery to authorities of foreign countries

''(a) IN GENERAL.—Any person designated and authorized under section 3262(d) may deliver a person described in section 3262(a) to the appropriate authorities of a foreign country in which the person is alleged to have engaged in conduct described in subsection (a) if—

''(1) the appropriate authorities of that country request the delivery of the person to such country for trial for such conduct as an offense under the laws of that country; and

''(2) the delivery of such person to that country is authorized by a treaty or other international agreement to which the United States is a party.

''(b) DETERMINATION BY THE SECRETARY.—The Secretary of Defense shall determine which officials of a foreign country constitute appropriate authorities for purposes of this section.

''§ 3264. Regulations

''The Secretary of Defense shall issue regulations governing the apprehension, detention, and removal of persons under this chapter. Such regulations shall be uniform throughout the Department of Defense.''.

(2) CLERICAL AMENDMENT.—The table of chapters at the beginning of part II of title 18, United States Code, is amended by inserting after the item relating to chapter 211 the following:

''212. Domestic Violence and Sexual Assault Offenses Committed Outside the United States ..... 3261''.

(b) RECORDS OF MILITARY JUSTICE ACTIONS.—

(1) IN GENERAL.—Subchapter XI of chapter 47 of title 10, United States Code, is amended by adding at the end the following:

''§ 940a. Art. 140a Military justice information: transmission to Director of the Federal Bureau of Investigation

''Whenever a member of the armed forces is discharged or dismissed from the armed forces or is released from active duty, the Secretary of the military department concerned shall transmit to the Director of the Federal Bureau of Investigation a copy of records of any penal action taken against the member during that period under this chapter, including any nonjudicial punishment imposed under section 815 of this title (article 15).''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter IX of chapter 47 of title 10, United States Code, is amended by adding at the end the following:

''940a. 140a. Military justice information: transmission to the Director of the Federal Bureau of Investigation.''.

(c) TRANSITIONAL COMPENSATION.—Section 1059(g)(2) of title 10, United States Code, is amended by striking ''the Secretary may not resume such payments'' and inserting ''the Secretary may, under circumstances determined extraordinary by the Secretary, resume such payments''.

SEC. 107. HATE CRIMES PREVENTION.

(a) DEFINITION.—In this section, the term ''hate crime'' has the same meaning as in section 280003(a) of the Violent Crime Control and Law Enforcement Act of 1994 (28 U.S.C. 994 note).

(b) PROHIBITION OF CERTAIN ACTS OF VIOLENCE.—Section 245 of title 18, United States Code, is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following:

''(c)(1) Whoever, whether or not acting under color of law, willfully causes bodily injury to any person or, through the use of fire, a firearm, or an explosive device, attempts to cause bodily injury to any person, because of the actual or perceived race, color, religion, or national origin of any person—

''(A) shall be imprisoned not more than 10 years, or fined in accordance with this title, or both; and

''(B) shall be imprisoned for any term of years or for life, or fined in accordance with this title, or both if—

''(i) death results from the acts committed in violation of this paragraph; or

''(ii) the acts committed in violation of this paragraph include kidnapping or an attempt to kidnap, aggravated sexual abuse or an attempt to commit aggravated sexual abuse, or an attempt to kill.

''(2)(A) Whoever, whether or not acting under color of law, in any circumstance described in subparagraph (B), willfully causes bodily injury to any person or, through the use of fire, a firearm, or an explosive device, attempts to cause bodily injury to any person, because of the actual or perceived religion, gender, sexual orientation, or disability of any person—

''(i) shall be imprisoned not more than 10 years, or fined in accordance with this title, or both; and

''(ii) shall be imprisoned for any term of years or for life, or fined in accordance with this title, or both, if—

''(I) death results from the acts committed in violation of this paragraph; or

''(II) the acts committed in violation of this paragraph include kidnapping or an attempt to kidnap, aggravated sexual abuse or an attempt to commit aggravated sexual abuse, or an attempt to kill.

''(B) For purposes of subparagraph (A), the circumstances described in this subparagraph are that—

''(i) in connection with the offense, the defendant or the victim travels in interstate or foreign commerce, uses a facility or instrumentality of interstate or foreign commerce, or engages in any activity affecting interstate or foreign commerce; or

''(ii) the offense is in or affects interstate or foreign commerce.''.

(c) DUTIES OF FEDERAL SENTENCING COMMISSION.—

(1) AMENDMENT OF FEDERAL SENTENCING GUIDELINES.—Pursuant to its authority under section 994 of title 28, United States Code, the United States Sentencing Commission shall study the issue of adult recruitment of juveniles to commit hate crimes and shall, if appropriate amend the Federal sentencing guidelines to provide sentencing enhancements (in addition to the sentencing enhancement provided for the use of a minor during the commission of an offense) for adult defendants who recruit juveniles to assist in the commission of hate crimes.

(2) CONSISTENCY WITH OTHER GUIDELINES.—In carrying out this subsection, the United States Sentencing Commission shall—

(A) ensure that there is reasonable consistency with other Federal sentencing guidelines; and

(B) avoid duplicative punishments for substantially the same offense.

(d) GRANT PROGRAM.—

(1) AUTHORITY TO MAKE GRANTS.—The Administrator of the Office of Juvenile Justice and Delinquency Prevention of the Department of Justice shall make grants, in accordance with such regulations as the Attorney General may prescribe, to State and local programs designed to combat hate crimes committed by juveniles.

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

(e) AUTHORIZATION FOR ADDITIONAL PERSONNEL TO ASSIST STATE AND LOCAL LAW ENFORCEMENT.—There are authorized to be appropriated to the Department of the Treasury and the Department of Justice, including the Community Relations Service, for fiscal years 2000, 2001, and 2002 such sums as are necessary to increase the number of personnel to prevent and respond to alleged violations of section 245 of title 18, United States Code (as amended by this section).

(f) SEVERABILITY.—If any provision of this section, an amendment made by this section, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this section, the amendments made by this section, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 108. REAUTHORIZATION OF RURAL DOMESTIC VIOLENCE AND CHILD ABUSE ENFORCEMENT GRANTS.

(a) REAUTHORIZATION.—Section 40295(c)(1) of the Violence Against Women Act of 1994 (42 U.S.C. 13971(c)(1)) is amended to read as follows:

''(1) IN GENERAL.—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section—

''(A) $34,000,000 for fiscal year 2000;

''(B) $35,000,000 for fiscal year 2001; and

''(C) $36,000,000 for fiscal year 2002.''.

(b) INDIAN TRIBES.—Section 40295(c) of the Violence Against Women Act of 1994 (42 U.S.C. 13971(c)) is amended by adding at the end the following:

''(3) ALLOTMENT FOR INDIAN TRIBES.—

''(A) IN GENERAL.—Not less than 5 percent of the total amount made available to carry out this section for each fiscal year shall be available for grants to Indian tribal governments.

''(B) REALLOTMENT OF FUNDS.—If, beginning 12 months after the last day of any fiscal year for which amounts are made available to carry out this paragraph, any amount made available under this paragraph remains unobligated, the unobligated amount may be allocated without regard to subparagraph (A).''.

SEC. 109. NATIONAL STALKER AND DOMESTIC VIOLENCE REDUCTION.

(a) REAUTHORIZATION.—Section 40603 of the Violence Against Women Act of 1994 (42 U.S.C. 14032) is amended to read as follows:

''SEC. 40603. AUTHORIZATION OF APPROPRIATIONS.

''There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this subtitle—

''(1) $2,000,000 for fiscal year 2000;

''(2) $3,000,000 for fiscal year 2001; and

''(3) $4,000,000 for fiscal year 2002.''.

(b) TECHNICAL AMENDMENT.—Section 40602(a) of the Violence Against Women Act of 1994 (42 U.S.C. 14031 note) is amended by inserting ''and implement'' after ''improve''.

SEC. 110. AMENDMENTS TO DOMESTIC VIOLENCE AND STALKING OFFENSES.

(a) INTERSTATE DOMESTIC VIOLENCE.—Section 2261(a) of title 18, United States Code, is amended to read as follows:

''(a) OFFENSES.—

''(1) TRAVEL OR CONDUCT OF OFFENDER.—A person who travels in interstate or foreign commerce or to or from Indian country with the intent to injure, harass, or intimidate a spouse or intimate partner, and who, in the course of or as a result of such travel, commits or attempts to commit a crime of violence against that spouse or intimate partner, shall be punished as provided in subsection (b).

''(2) CAUSING TRAVEL OF VICTIM.—A person who causes a spouse or intimate partner to travel in interstate or foreign commerce or to or from Indian country by force, coercion, duress, or fraud, and who, in the course of or as a result of such conduct or travel, commits or attempts to commit a crime of violence against that spouse or intimate partner, shall be punished as provided in subsection (b).''.

(b) INTERSTATE STALKING.—Section 2261A of title 18, United States Code, is amended to read as follows:

''§ 2261A. Interstate stalking

''Whoever—

''(1) with the intent to injure, harass, or intimidate another person, engages in the special maritime and territorial jurisdiction of the United States in conduct that places that person in reasonable fear of the death of, or serious bodily injury to, that person or a member of the immediate family (as defined in section 115) of that person; or

''(2) with the intent to injure, harass, or intimidate another person, travels in interstate or foreign commerce, or enters or leaves Indian country, and, in the course of or as a result of such travel, engages in conduct that places that person in reasonable fear of the death of, or serious bodily injury to, that person or a member of that person's immediate family (as defined in section 115), shall be punished as provided in section 2261.''.

(c) INTERSTATE VIOLATION OF PROTECTION ORDER.—Section 2262(a) of title 18, United States Code, is amended to read as follows:

''(a) OFFENSES.—

''(1) TRAVEL OR CONDUCT OF OFFENDER.—A person who travels in interstate or foreign commerce, or enters of leaves Indian country, with the intent to engage in conduct that violates the portion of a protection order that prohibits or provides protection against violence, threats, or harassment against, contact or communication with, or physical proximity to, another person, or that would violate such a portion of a protection order in the jurisdiction in which the order was issued, and subsequently engages in such conduct, shall be punished as provided in subsection (b).

''(2) CAUSING TRAVEL OF VICTIM.—A person who causes another person to travel in interstate or foreign commerce or to or from Indian country by force, coercion, duress, or fraud, and in the course of or as a result of such conduct or travel engages in conduct that violates the portion of a protection order that prohibits or provides protection against violence, threats, or harassment against, contact or communication with, or physical proximity to, another person, or that would violate such a portion of a protection order in the jurisdiction in which the order was issued, shall be punished as provided in subsection (b).''.

(d) FULL FAITH AND CREDIT.—Section 2265 of title 18, United States Code, is amended by adding at the end the following:

''(d) TRIBAL COURT JURISDICTION.—For purposes of this section, a tribal court shall be deemed to have jurisdiction over any activity occurring in Indian country.''.

(e) DEFINITIONS.—Section 2266 of title 18, United States Code, is amended to read as follows:

''§ 2266. Definitions

''In this chapter:

''(1) BODILY INJURY.—The term 'bodily injury' means any act, except one done in self-defense, that results in physical injury or sexual abuse.

''(2) ENTERS OR LEAVES INDIAN COUNTRY.—The term 'enters or leaves Indian country' includes leaving the jurisdiction of 1 tribal government and entering the jurisdiction of another tribal government.

''(3) INDIAN COUNTRY.—The term 'Indian country' has the meaning stated in section 1151.

''(4) PROTECTION ORDER.—The term 'protection order' includes any injunction or other order issued for the purpose of preventing violent or threatening acts or harassment against, or contact or communication with or physical proximity to, another person, including temporary and final orders issued by civil and criminal courts (other than support or child custody orders issued pursuant to State divorce and child custody laws) whether obtained by filing an independent action or as a pendente lite order in another proceeding so long as any civil order was issued in response to a complaint, petition or motion filed by or on behalf of a person seeking protection. Custody and visitation provisions in protection orders are subject to this chapter.

''(5) SERIOUS BODILY INJURY.—The term 'serious bodily injury' has the meaning stated in section 2119(2).

''(6) SPOUSE OR INTIMATE PARTNER.—The term 'spouse or intimate partner' includes—

''(A) a spouse, a former spouse, a person who shares a child in common with the abuser, a person who cohabits or has cohabited with the abuser as a spouse, and a person with whom the abuser has engaged in a social relationship of a romantic or intimate nature; and

''(B) any other person similarly situated to a spouse who is protected by the domestic or family violence laws of the State or tribal jurisdiction in which the injury occurred or where the victim resides.

''(7) STATE.—The term 'State' includes a State of the United States, the District of Columbia, a commonwealth, territory, or possession of the United States.

''(8) TRAVEL IN INTERSTATE OR FOREIGN COMMERCE.—The term 'travel in interstate or foreign commerce' does not include travel from 1 State to another by an individual who is a member of an Indian tribe and who remains at all times in the territory of the Indian tribe of which the individual is a member.''.

TITLE II—STRENGTHENING SERVICES TO VICTIMS OF VIOLENCE

SEC. 201. CIVIL LEGAL ASSISTANCE.

(a) IN GENERAL.—The purpose of this section is to enable the Attorney General to make grants to further the health, safety, and economic well-being of victims of domestic violence, stalking, and sexual assault by providing civil legal assistance to such victims.

(b) CIVIL LEGAL ASSISTANCE GRANTS.—The Attorney General may make grants under this subsection to private nonprofit entities, publicly funded organizations not acting in a governmental capacity, and Indian tribal governments and affiliated organizations, which shall be used—

(1) to implement, expand, and establish cooperative efforts and projects between domestic violence and sexual assault victim advocacy organizations and civil legal assistance providers to strengthen a broad range of civil legal assistance for victims of domestic violence, stalking, and sexual assault;

(2) to implement, expand, and establish efforts and projects to strengthen a broad range of civil legal assistance for victims of domestic violence, stalking, and sexual assault by organizations with a demonstrated history of providing direct legal or advocacy services on behalf of these victims; and

(3) to provide training, technical assistance, and data collection to improve the capacity of grantees and other entities to offer civil legal assistance to victims of domestic violence, stalking, and sexual assault.

(c) GRANT TO CREATE DATABASE OF PROGRAMS THAT PROVIDE CIVIL LEGAL ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, STALKING, AND SEXUAL ASSAULT.—

(1) IN GENERAL.—The Attorney General may make a grant to establish, operate, and maintain a national computer database of programs that provide civil legal assistance to victims of domestic violence, stalking, and sexual assault.

(2) DATABASE REQUIREMENTS.—A database established with a grant under this subsection shall be—

(A) designed to facilitate the referral of persons to programs that provide civil legal assistance to victims of domestic violence, stalking, and sexual assault; and

(B) operated in coordination with the national domestic violence hotline established under section 316 of the Family Violence Prevention and Services Act.

(d) EVALUATION.—The Attorney General may evaluate the grants funded under this section through contracts or other arrangements with entities expert on domestic violence, stalking, and sexual assault, and on evaluation research.

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section—

(A) $34,000,000 for fiscal year 2000;

(B) $35,000,000 for fiscal year 2001; and

(C) $36,000,000 for fiscal year 2002.

(2) ALLOCATION OF FUNDS.—Of the amount made available under this subsection in each fiscal year, not less than 5 percent shall be used for grants for programs that assist victims of domestic violence, stalking, and sexual assault on lands within the jurisdiction of an Indian tribe.

(3) NONSUPPLANTATION.—Amounts made available under this section shall be used to supplement and not supplant other Federal, State, and local funds expended to further the purpose of this section.

SEC. 202. SHELTERS FOR BATTERED WOMEN AND CHILDREN.

(a) STATE SHELTER GRANTS; DIRECT EMERGENCY ASSISTANCE.—Section 303 of the Family Violence Prevention and Services Act (42 U.S.C. 10402) is amended—

(1) in subsection (a)(2)—

(A) by redesignating subparagraph (G) as subparagraph (H); and

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

''(G) provide documentation, including memoranda of understanding, of the specific involvement of the State domestic violence coalition and other knowledgeable individuals and interested organizations, in the development of the application; and''; and

(2) in subsection (c)—

(A) by striking ''No funds provided'' and inserting ''(1) Except as provided in paragraph (2), no funds provided''; and

(B) by inserting after the period the following:

''(2) Not more than 1 percent of the funds appropriated to carry out this section and distributed under subsection (a) or (b) may be used to provide emergency assistance, such as transportation and housing assistance, directly to victims of family violence, or to the dependents of such victims, who are in the process of fleeing an abusive situation. Any entity that provides such assistance shall annually prepare and submit to the Secretary a report specifying, and describing the distribution of, funds provided pursuant to this paragraph. The report shall not contain information identifying an individual recipient of such assistance.''.

(b) STATE MINIMUM; REALLOTMENT.—Section 304 of the Family Violence Prevention and Services Act (42 U.S.C. 10403) is amended—

(1) in subsection (a), by striking ''for grants to States for any fiscal year'' and all that follows and inserting the following: ''and available for grants to States under this subsection for any fiscal year—

''(1) Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the combined Freely Associated States shall each be allotted not less than ⅛ of 1 percent of the amounts available for grants under section 303(a) for the fiscal year for which the allotment is made; and

''(2) each State shall be allotted for payment in a grant authorized under section 303(a) $500,000, with the remaining funds to be allotted to each State in an amount that bears the same ratio to such remaining funds as the population of such State bears to the population of all States.'';

(2) in subsection (c), in the first sentence, by inserting ''and available'' before ''for grants'';

(3) in subsection (d)—

(A) by redesignating paragraph (2) as paragraph (3);

(B) by inserting after paragraph (1) the following:

''(2) If, at the end of the sixth month of a fiscal year for which sums are appropriated under section 310—

''(A) the entire portion of such sums that is made available for grants under section 303(b) has not been distributed to Indian tribes and organizations described in section 303(b) in grants because of the failure of 1 or more of the tribes or organizations to meet the requirements for such a grant, the Secretary shall—

''(i) use the remainder of the portion to make grants under section 303(b) to Indian tribes and organizations who meet the requirements; and

''(ii) make the grants in proportion to the original grants made to the tribes and organizations under section 303(b) for such year.''; and

(C) in paragraph (3) (as redesignated in subparagraph (A)) by inserting ''or distribution under section 303(b)'' after ''303(a)''; and

(4) by adding at the end the following:

''(e) In subsection (a)(2), the term 'State' does not include any jurisdiction specified in subsection (a)(1).''.

(c) SECRETARIAL RESPONSIBILITIES.—Section 305(a) of the Family Violence Prevention and Services Act (42 U.S.C. 10404(a)) is amended—

(1) by striking ''an employee'' and inserting ''1 or more employees'';

(2) by striking ''of this title.'' and inserting ''of this title, including carrying out evaluation and monitoring under this title.''; and

(3) by striking ''individual'' and inserting ''individuals''.

(d) RESOURCE CENTERS.—Section 308 of the Family Violence Prevention and Services Act (42 U.S.C. 10407) is amended—

(1) in subsection (a)(2)—

(A) by striking the following:

''(2) GRANTS.—From the amounts'' and inserting the following:

''(2) GRANTS.—

''(A) CENTERS.—From the amounts'';

(B) by inserting ''on providing information, training, and technical assistance'' after ''focusing''; and

(C) by inserting after the period the following:

''(B) INITIATIVES.—From such amounts, the Secretary may award grants to private nonprofit organizations for information, training, and technical assistance initiatives in the subject areas identified in subsection (c), if—

''(i) such initiatives do not duplicate the activities of the entities operating the special issue resource centers provided for in subsection (c); and

''(ii) the total amounts awarded for all such initiatives do not exceed the lesser of $500,000 or 7 percent of the funds appropriated for making grants under this section.''; and

(2) in subsection (c), by adding at the end the following:

''(8) Providing technical assistance and training to local entities carrying out domestic violence programs that provide shelter or related assistance.

''(9) Improving access to services, information, and training, concerning family violence, within Indian tribes and Indian tribal agencies.

''(10) Responding to emerging issues in the field of family violence that the Secretary may identify in consultation with advocates for local entities carrying out domestic violence programs that provide shelter or related assistance, State domestic violence coalitions, and national domestic violence organizations.''.

(e) REAUTHORIZATION.—Section 310(a) of the Family Violence Prevention and Services Act (42 U.S.C. 10409(a)) is amended to read as follows:

''(a) IN GENERAL.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this title—

''(A) $150,000,000 for fiscal year 2000;

''(B) $175,000,000 for fiscal year 2001; and

''(C) $175,000,000 for fiscal year 2002.

''(2) SOURCE OF FUNDS.—Amounts made available under paragraph (1) may be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211).''.

(f) LIMITATION ON FUNDS.—Section 310 of the Family Violence Prevention and Services Act (42 U.S.C. 10409), as amended by subsection (e), is amended—

(1) in subsection (b), by striking ''under subsection 303(a)'' and inserting ''under section 303(a)'';

(2) in subsection (c), by inserting ''not more than the lesser of $7,500,000 or'' before ''5'';

(3) in subsection (d)—

(A) by striking the following:

''(d) GRANTS FOR STATE COALITIONS.—Of the amounts'' and inserting the following:

''(d) GRANTS FOR STATE COALITIONS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), of the amounts''; and

(B) by inserting after the period the following:

''(2) APPROPRIATIONS EXCEEDING $110,000,000.—If the total amount appropriated under subsection (a) for a fiscal year exceeds $110,000,000, the Secretary shall use, for making grants under section 311, not less than—

''(A) $11,000,000; plus

''(B) 8 percent of the amount appropriated under such subsection for such fiscal year in excess of $110,000,000.'';

(4) by redesignating subsection (e) as subsection (f); and

(5) by inserting after subsection (d) the following:

''(e) EVALUATION, MONITORING, AND ADMINISTRATION.—Of the amounts appropriated under subsection (a) for each fiscal year, not more than $1,200,000 shall be used by the Secretary for evaluation, monitoring, and administrative costs under this title.''.

(g) NEEDS ASSESSMENT.—Title III of the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.) is amended by adding at the end the following:

''SEC. 319. NEEDS ASSESSMENT.

''In carrying out this title, the Secretary shall provide for the conduct of a nationwide needs assessment relating to the programs carried out under this title.''.

(h) MODEL LEADERSHIP GRANTS FOR DOMESTIC VIOLENCE INTERVENTION IN UNDERSERVED COMMUNITIES.—

(1) IN GENERAL.—Title III of the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.), as amended by subsection (g), is amended by adding at the end the following:

''SEC. 320. MODEL LEADERSHIP GRANTS FOR DOMESTIC VIOLENCE INTERVENTION IN UNDERSERVED COMMUNITIES.

''(a) GRANTS.—

''(1) IN GENERAL.—The Secretary may award grants to develop and implement

model community intervention strategies to address family violence in underserved populations (as such term is defined in section 2003 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2)).

''(2) LIMITATIONS.—In awarding grants under paragraph (1), the Secretary shall award grants to not more than 10 State domestic violence coalitions and to not more than 10 local entities that carry out domestic violence programs providing shelter or related assistance.

''(3) PURPOSES.—Grants awarded under paragraph (1) shall be used for—

''(A) assessing the needs of underserved populations in the State involved;

''(B) building collaborative relationships between the grant recipients and community-based organizations serving underserved populations; and

''(C) developing and implementing model community intervention strategies to decrease the incidence of family violence in underserved populations.

''(4) PERIODS.—The Secretary shall award grants under paragraph (1) for periods of not more than 3 years.

''(b) ELIGIBILITY.—

''(1) INITIAL ELIGIBILITY.—To be eligible for an initial year of funding through a grant awarded under subsection (a)(1), an applicant shall—

''(A) submit to the Secretary an application containing an acceptable plan for assessing the needs of underserved populations for the model community intervention strategies described in subsection (a)(3)(C), and identifying a specific population for development of such an intervention strategy, in the first year of the grant; and

''(B) demonstrate to the Secretary inclusion of representatives from community-based organizations in underserved communities in planning and designing the needs assessment under subparagraph (A).

''(2) CONTINUED ELIGIBILITY.—To be eligible for continued funding for not more than 2 additional years through a grant awarded under subsection (a)(1), a recipient of funding for the initial year shall submit to the Secretary an application containing—

''(A) a plan for implementing the intervention strategy, and specifying the collaborative relationships with community-based organizations serving the identified underserved populations to be supported under the grant; and

''(B) a plan for disseminating the intervention strategy throughout the State and, at the option of the recipient, to other States.

''(c) PRIORITY FOR COLLABORATIVE FUNDING.—

''(1) IN GENERAL.—In awarding grants under subsection (a)(1), the Secretary shall give priority to State domestic violence coalitions, and local entities that carry out domestic violence programs, that submit applications in collaboration with community-based organizations serving underserved populations.

''(2) AMOUNTS.—The Secretary shall award grants under subsection (a)(1) to coalitions and entities described in paragraph (1) in amounts of not less than $100,000 per fiscal year.''.

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 310 of the Family Violence Prevention and Services Act (42 U.S.C. 10409), as amended by subsection (f), is further amended—

(A) by redesignating subsection (f) as subsection (g); and

(B) by inserting after subsection (e) the following:

''(f) REDISTRIBUTION OF FUNDS AVAILABLE DUE TO CERTAIN LIMITATIONS.—

''(1) APPROPRIATIONS EXCEEDING $110,000,000.—Except as provided in paragraph (2), if the total amount appropriated under subsection (a) for a fiscal year exceeds $110,000,000, the Secretary shall use not less than 2 percent of the amount appropriated under such subsection for such fiscal year in excess of $110,000,000 for making grants under section 303 or 320.

''(2) APPROPRIATIONS EXCEEDING $150,000,000.—If the total amount appropriated under subsection (a) for a fiscal year exceeds $150,000,000, the Secretary shall use not less than 7 percent of the amount appropriated under such subsection for such fiscal year in excess of $150,000,000 for making grants under section 303 or 320.''.

(i) CONFORMING AMENDMENTS.—

(1) Section 303(b)(2) of the Family Violence Prevention and Services Act (42 U.S.C. 10402(b)(2)) is amended, in the second sentence, by striking ''(D), (E) and (F)'' and inserting ''(D), (E), (F), and (G)''.

(2) Section 306 of the Family Violence Prevention and Services Act (42 U.S.C. 10405) is amended, in the second sentence, by striking ''section 303(a)(2)(B) through 303(a)(2)(F)'' and inserting ''subparagraphs (B) through (G) of section 303(a)(2)''.

(3) Section 309(6) of the Family Violence Prevention and Services Act (42 U.S.C. 10408(6)) is amended by striking ''the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands'' and inserting ''the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the combined Freely Associated States''.

(4) Section 311(c) of the Family Violence Prevention and Services Act (42 U.S.C. 10410(c)) is amended by striking ''the U.S. Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands'' and inserting ''the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Freely Associated States''.

SEC. 203. VICTIMS OF ABUSE INSURANCE PROTECTION.

(a) DEFINITIONS.—In this section—

(1) ABUSE.—The term ''abuse'' means the occurrence of 1 or more of the following acts by a current or former household or family member, intimate partner, or caretaker:

(A) Attempting to cause or causing another person bodily injury, physical harm, substantial emotional distress, psychological trauma, rape, sexual assault, or involuntary sexual intercourse.

(B) Engaging in a course of conduct or repeatedly committing acts toward another person, including following the person without proper authority and under circumstances that place the person in reasonable fear of bodily injury or physical harm.

(C) Subjecting another person to false imprisonment or kidnaping.

(D) Attempting to cause or causing damage to property so as to intimidate or attempt to control the behavior of another person.

(2) ADVERSE ACTION.—The term ''adverse action'' means—

(A) denying, refusing to issue, renew, or reissue, or canceling or otherwise terminating an insurance policy or health benefit plan;

(B) restricting, excluding, or limiting insurance or health benefit plan coverage or denying or limiting payment of a claim incurred by an insured, except as otherwise permitted or required by State laws relating to life insurance beneficiaries; or

(C) adding a premium differential to any insurance policy or health benefit plan.

(3) HEALTH BENEFIT PLAN.—The term ''health benefit plan'' means any public or private entity or program that provides for payments for health care, including—

(A) a group health plan (as defined in section 607 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1167)) or a multiple employer welfare arrangement (as defined in section 3(40) of such Act (29 U.S.C. 1102(40)) that provides health benefits;

(B) any arrangement consisting of a hospital or medical expense incurred policy or certificate, hospital or medical service plan contract, or health maintenance organization subscriber contract;

(C) workers' compensation or similar insurance to the extent that it relates to workers' compensation medical benefits (as defined by the Federal Trade Commission); and

(D) automobile medical insurance to the extent that it relates to medical benefits (as defined by the Federal Trade Commission).

(4) HEALTH CARRIER.—The term ''health carrier'' means a person that contracts or offers to contract on a risk-assuming basis to provide, deliver, arrange for, pay for, or reimburse any of the cost of health care services, including a sickness and accident insurance company, a health maintenance organization, a nonprofit hospital and health service corporation or any other entity providing a plan of health insurance, health benefits, or health services.

(5) INNOCENT INSURED.—The term ''innocent insured'' means a subject of abuse who—

(A) is insured under the same policy as the abuser; and

(B) is not, taking into account all the facts and circumstances, the cause of any claim incurred or any claim that may incur.

(6) INSURED.—The term ''insured'' means a party named on a policy, certificate, or health benefit plan, including an individual, corporation, partnership, association, unincorporated organization, or any similar entity, as the person with legal rights to the benefits provided by the policy, certificate, or health benefit plan, including (for purposes of group insurance) a person who is a beneficiary covered by a group policy, certificate, or health benefit plan, and including (for purposes of life insurance) the person whose life is covered under an insurance policy.

(7) INSURER.—The term ''insurer'' means any person, reciprocal exchange, interinsurer, Lloyds insurer, fraternal benefit society, or other legal entity engaged in the business of insurance, including agents, brokers, adjusters, and third party administrators, and includes health benefit plans, health carriers, and life, disability, and property and casualty insurers.

(8) PERSONAL IDENTIFYING INFORMATION.—The term ''personal identifying information'' means information that identifies an individual, including an individual's photograph, social security number, driver identification number, name, address, telephone number, place of employment, and medical, disability, or abuse status.

(9) POLICY.—The term ''policy'' means a contract of insurance, certificate, indemnity, suretyship, or annuity issued, proposed for issuance, or intended for issuance by an insurer, including endorsements or riders to an insurance policy or contract.

(10) SUBJECT OF ABUSE.—The term ''subject of abuse'' means a person—

(A) against whom an act of abuse has been directed;

(B) who has prior or current injuries, illnesses, or disorders that resulted from abuse;

(C) who seeks, may have sought, or had reason to seek medical or psychological treatment for abuse or protection or shelter from abuse; or

(D) who has incurred or may incur a claim as a result of abuse.

(b) ACTS AGAINST SUBJECTS OF ABUSE.—

(1) DISCRIMINATORY ACTS PROHIBITED.—

(A) IN GENERAL.—No insurer may, directly or indirectly, take any adverse action against an applicant or insured on the basis that the applicant or insured, or any person

employed by the applicant or insured or with whom the applicant or insured is known to have a relationship or association is, has been, or may be the subject of abuse.

(B) INNOCENT INSURED.—No insurer may, directly or indirectly, take any adverse action against an innocent insured.

(2) REASONS FOR ADVERSE ACTIONS.—An insurer that takes an adverse action against a known subject of abuse shall advise the applicant or insured of the specific reasons for the action in writing. Reference to general underwriting practices or guidelines shall not constitute a specific reason.

(3) USE OF INFORMATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), an insurer, and any officer, employee, or contractor thereof, shall not knowingly disclose or otherwise make available to any person or entity personal identifying information about a subject of abuse.

(B) EXCEPTION.—Personal identifying information referred to in subparagraph (A) may be disclosed—

(i) with the informed, written consent of the subject of abuse at the time the disclosure is sought;

(ii) if such information is necessary for the provision of or the payment for services provided by the insurer or is incident to the ordinary course of business of the insurer; or

(iii) to a law enforcement agency pursuant to a warrant issued under the Federal Rules of Criminal Procedure, an equivalent State warrant, a grand jury subpoena, or a court order.

(C) RULE OF CONSTRUCTION.—Nothing in subparagraph (B) shall be construed to permit an insurer to disclose personal identifying information about a subject of abuse to a current or former household or family member, intimate partner, or caretaker of the subject of abuse.

(c) ENFORCEMENT.—

(1) FEDERAL TRADE COMMISSION.—

(A) IN GENERAL.—The Federal Trade Commission shall have the power to examine and investigate any insurer to determine whether such insurer has been, or is, in violation of subsection (b) if the violation involved is not prohibited under other Federal or State law or is prohibited under State law but in the opinion of the Commission is not being enforced by the State.

(B) REMEDIES.—If the Federal Trade Commission determines that an insurer has been, or is, in violation of subsection (b)—

(i) in the case of a violation of Federal or State law, the Commission shall transmit such information to the appropriate enforcement authority; and

(ii) in the case of a violation that is not prohibited under other Federal or State law, or is prohibited under State law but in the opinion of the Commission is not being enforced by the State, the Commission may take action against such insurer as if the insurer was in violation of section 5 of the Federal Trade Commission Act by issuing a cease and desist order, which may include any individual relief warranted under the circumstances, including temporary, preliminary, and permanent injunctive and compensatory relief.

(2) PRIVATE CAUSE OF ACTION.—

(A) IN GENERAL.—An applicant or insured who believes that the applicant or insured has been affected by a violation under subsection (b) may bring an action against the insurer in a Federal or State court of original jurisdiction.

(B) REMEDIES.—In an action under subparagraph (A), upon proof of conduct of a violation of subsection (b) by a preponderance of the evidence, the court may award appropriate relief, including—

(i) temporary, preliminary, and permanent injunctive relief;

(ii) actual damages, in an amount that is not less than liquidated damages in the amount of $5,000 per violation;

(iii) punitive damages;

(iv) reasonable attorneys' fees and other litigation costs reasonably incurred, including the costs of expert witnesses; and

(v) such other preliminary and equitable relief as the court determines to be appropriate.

(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to prohibit a life insurer from declining to issue a life insurance policy if the applicant or prospective owner of the policy is or would be designated as a beneficiary of the policy and if—

(1) the applicant or prospective owner of the policy lacks an insurable interest in the insured; or

(2) the applicant or prospective owner of the policy is known, on the basis of police or court records, to have committed an act of abuse against the proposed insured.

(e) EFFECTIVE DATE.—This section shall apply with respect to any action taken after December 31, 1998.

SEC. 204. NATIONAL DOMESTIC VIOLENCE HOTLINE.

(a) REAUTHORIZATION.—Section 316(f)(1) of the Family Violence Prevention and Services Act (42 U.S.C. 10416(f)(1)) is amended to read as follows:

''(1) IN GENERAL.—There are authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section—

''(A) $3,600,000 for fiscal year 2000;

''(B) $3,800,000 for fiscal year 2001; and

''(C) $4,000,000 for fiscal year 2002.''.

(b) REPORT BY GRANT RECIPIENTS.—Section 316 of the Family Violence Prevention and Services Act (42 U.S.C. 10416) is amended by adding at the end the following:

''(g) REPORT BY GRANT RECIPIENTS.—

''(1) IN GENERAL.—Not later than 90 days after the date of enactment of this subsection, each recipient of a grant under this section shall prepare and submit to the Secretary a report that contains—

''(A) an evaluation of the effectiveness of the activities carried out by the recipient with amounts received under this section; and

''(B) such other information as the Secretary may prescribe.

''(2) NOTICE AND PUBLIC COMMENT.—Before renewing any grant under this section for a recipient, the Secretary shall publish in the Federal Register a copy of the report submitted by the recipient under this subsection and allow not less than 90 days for notice of and opportunity for public comment on the published report.''.

SEC. 205. FEDERAL VICTIMS' COUNSELORS.

Section 40114 of the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322; 108 Stat. 1910)) is amended by striking ''Columbia)—'' and all that follows before the period and inserting ''Columbia) $1,000,000 for each of fiscal years 2000 through 2002''.

SEC. 206. BATTERED WOMEN'S EMPLOYMENT PROTECTION.

(a) ENTITLEMENT TO LEAVE FOR NON-FEDERAL EMPLOYEES.—

(1) DEFINITIONS.—Section 101 of the Family and Medical Leave Act of 1993 (29 U.S.C. 2611) is amended by adding at the end the following:

''(14) ADDRESSING DOMESTIC VIOLENCE AND ITS EFFECTS.—The term 'addressing domestic violence and its effects' means—

''(A) seeking medical attention for or recovering from injuries caused by domestic violence;

''(B) seeking legal assistance or remedies, including communicating with the police or an attorney, or participating in any legal proceeding, related to domestic violence;

''(C) obtaining psychological or other counseling related to experiences of domestic violence;

''(D) participating in safety planning and other actions to increase safety from future domestic violence, including temporary or permanent relocation;

''(E) being unable to attend or perform work due to an incident of domestic violence, including an act or threat of violence, stalking, coercion, or harassment, occurring within the previous 72 hours; and

''(F) participating in any other activity necessitated by domestic violence that must be undertaken during the hours of employment involved.

''(15) DOMESTIC VIOLENCE.—The term 'domestic violence' has the meaning given such term in section 2003 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2).''.

(2) LEAVE REQUIREMENT.—Section 102 of the Family and Medical Leave Act of 1993 (29 U.S.C. 2612) is amended—

(A) in subsection (a)(1), by adding at the end the following:

''(E) In order to care for the son, daughter, or parent of the employee, if such son, daughter, or parent is addressing domestic violence and its effects.

''(F) Because the employee is addressing domestic violence and its effects, which make the employee unable to perform the functions of the position of such employee.'';

(B) in subsection (b), by adding at the end the following:

''(3) DOMESTIC VIOLENCE.—Leave under subparagraph (E) or (F) of subsection (a)(1) may be taken by an eligible employee intermittently or on a reduced leave schedule. The taking of leave intermittently or on a reduced leave schedule pursuant to this paragraph shall not result in a reduction in the total amount of leave to which the employee is entitled under subsection (a) beyond the amount of leave actually taken.'';

(C) in subsection (d)(2)(B), by striking ''(C) or (D)'' and inserting ''(C), (D), (E), or (F)''; and

(D) in subsection (e)(2), by striking ''or (D)'' and inserting '', (D), (E), or (F)''.

(3) CERTIFICATION.—Section 103 of the Family and Medical Leave Act of 1993 (29 U.S.C. 2613) is amended—

(A) in the heading of the section, by inserting before the period the following: ''**; CONFIDENTIALITY**''; and

(B) by adding at the end the following:

''(f) DOMESTIC VIOLENCE.—In determining if an employee meets the requirements of subparagraph (E) or (F) of section 102(a)(1), the employer of an employee may require the employee to provide—

''(1) documentation of the domestic violence involved, such as a police or court record, or documentation of the domestic violence from a shelter worker, attorney, member of the clergy, or medical or other professional from whom the employee has sought assistance in addressing domestic violence and its effects; or

''(2) other corroborating evidence, such as a statement from any other individual with knowledge of the circumstances that provide the basis for the claim of domestic violence, or physical evidence of domestic violence, such as a photograph or torn or bloody clothing.

''(g) CONFIDENTIALITY.—All evidence provided to the employer under subsection (f) of

domestic violence experienced by an employee or the son, daughter, or parent of an employee, including a statement of an employee, any corroborating evidence, and the fact that an employee has requested leave for the purpose of addressing, or caring for a son, daughter, or parent who is addressing, domestic violence and its effects, shall be retained in the strictest confidence by the employer, except to the extent that disclosure is consented to by the employee in a case in which disclosure is necessary to protect the safety of the employee or a co-worker of the employee, or requested by the employee to document domestic violence to a court or agency.''.

(b) ENTITLEMENT TO LEAVE FOR FEDERAL EMPLOYEES.—

(1) DEFINITIONS.—Section 6381 of title 5, United States Code, is amended—

(A) at the end of paragraph (5), by striking ''and'';

(B) in paragraph (6), by striking the period and inserting a semicolon; and

(C) by adding at the end the following:

''(7) the term 'addressing domestic violence and its effects' means—

''(A) seeking medical attention for or recovering from injuries caused by domestic violence;

''(B) seeking legal assistance or remedies, including communicating with the police or an attorney, or participating in any legal proceeding, related to domestic violence;

''(C) obtaining psychological or other counseling related to experiences of domestic violence;

''(D) participating in safety planning and other actions to increase safety from future domestic violence, including temporary or permanent relocation;

''(E) being unable to attend or perform work due to an incident of domestic violence, including an act or threat of violence, stalking, coercion, or harassment, occurring within the previous 72 hours; and

''(F) participating in any other activity necessitated by domestic violence that must be undertaken during the hours of employment involved; and

''(8) the term 'domestic violence' has the meaning given the term in section 2003 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2).''.

(2) LEAVE REQUIREMENT.—Section 6382 of title 5, United States Code, is amended—

(A) in subsection (a)(1), by adding at the end the following:

''(E) In order to care for the son, daughter, or parent of the employee, if such son, daughter, or parent is addressing domestic violence and its effects.

''(F) Because the employee is addressing domestic violence and its effects, which make the employee unable to perform the functions of the position of such employee.'';

(B) in subsection (b), by adding at the end the following:

''(3) Leave under subparagraph (E) or (F) of subsection (a)(1) may be taken by an employee intermittently or on a reduced leave schedule. The taking of leave intermittently or on a reduced leave schedule pursuant to this paragraph shall not result in a reduction in the total amount of leave to which the employee is entitled under subsection (a) beyond the amount of leave actually taken.'';

(C) in subsection (d), by striking ''(C), or (D)'' and inserting ''(C), (D), (E), or (F)''; and

(D) in subsection (e)(2), by striking ''or (D)'' and inserting '', (D), (E), or (F)''.

(3) CERTIFICATION.—Section 6383 of title 5, United States Code, is amended—

(A) in the heading of the section, by adding at the end the following: ''**; confidentiality**''; and

(B) by adding at the end the following:

''(f) In determining if an employee meets the requirements of subparagraph (E) or (F) of section 6382(a)(1), the employing agency of an employee may require the employee to provide—

''(1) documentation of the domestic violence involved, such as a police or court record, or documentation of the domestic violence from a shelter worker, attorney, member of the clergy, or medical or other professional from whom the employee has sought assistance in addressing domestic violence and its effects; or

''(2) other corroborating evidence, such as a statement from any other individual with knowledge of the circumstances that provide the basis for the claim of domestic violence, or physical evidence of domestic violence, such as a photograph or torn or bloody clothing.

''(g) All evidence provided to the employing agency under subsection (f) of domestic violence experienced by an employee or the son, daughter, or parent of an employee, including a statement of an employee, any corroborating evidence, and the fact that an employee has requested leave for the purpose of addressing, or caring for a son, daughter, or parent who is addressing, domestic violence and its effects, shall be retained in the strictest confidence by the employing agency, except to the extent that disclosure is consented to by the employee in a case in which disclosure is necessary to protect the safety of the employee or a co-worker of the employee, or requested by the employee to document domestic violence to a court or agency.''.

(c) EFFECT ON OTHER LAWS AND EMPLOYMENT BENEFITS.—

(1) MORE PROTECTIVE LAWS, AGREEMENTS, PROGRAMS, AND PLANS.—Nothing in this section or the amendments made by this section shall be construed to supersede any provision of any Federal, State, or local law, collective bargaining agreement, or other employment benefit program or plan that provides greater leave benefits for employed victims of domestic violence than the rights established under this section or such amendments.

(2) LESS PROTECTIVE LAWS, AGREEMENTS, PROGRAMS, AND PLANS.—The rights established for employees under this section or the amendments made by this section shall not be diminished by any State or local law, collective bargaining agreement, or employment benefit program or plan.

(d) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date that is 180 days after the date of enactment of this Act.

SEC. 207. ENSURING UNEMPLOYMENT COMPENSATION.

(a) UNEMPLOYMENT COMPENSATION.—Section 3304 of the Internal Revenue Code of 1986 is amended—

(1) in subsection (a)—

(A) by striking ''and'' at the end of paragraph (18);

(B) by redesignating paragraph (19) as paragraph (20); and

(C) by inserting after paragraph (18) the following:

''(19) compensation is to be provided where an individual is separated from employment due to circumstances directly resulting from the individual's experience of domestic violence; and''; and

(2) by adding at the end the following:

''(g) CONSTRUCTION.—

''(1) IN GENERAL.—For purposes of subsection (a)(19), an employee's separation from employment shall be treated as due to circumstances directly resulting from the individual's experience of domestic violence if the separation resulted from—

''(A) the employee's reasonable fear of future domestic violence at or en route to or from the employee's place of employment;

''(B) the employee's wish to relocate to another geographic area in order to avoid future domestic violence against the employee or the employee's family;

''(C) the employee's need to recover from traumatic stress resulting from the employee's experience of domestic violence;

''(D) the employer's denial of the employee's request for the temporary leave from employment to address domestic violence and its effects authorized by subparagraphs (E) and (F) of section 102(a)(1) of the Family and Medical Leave Act of 1993; or

''(E) any other circumstance in which domestic violence causes the employee to reasonably believe that termination of employment is necessary for the future safety of the employee or the employee's family.

''(2) REASONABLE EFFORTS TO RETAIN EMPLOYMENT.—For purposes of subsection (a)(19), if State law requires the employee to have made reasonable efforts to retain employment as a condition for receiving unemployment compensation, such requirement shall be met if the employee—

''(A) sought protection from, or assistance in responding to, domestic violence, including calling the police or seeking legal, social work, medical, clergy, or other assistance;

''(B) sought safety, including refuge in a shelter or temporary or permanent relocation, whether or not the employee actually obtained such refuge or accomplished such relocation; or

''(C) reasonably believed that options such as taking a leave of absence, transferring jobs, or receiving an alternative work schedule would not be sufficient to guarantee the employee or the employee's family's safety.

''(3) ACTIVE SEARCH FOR EMPLOYMENT.—For purposes of subsection (a)(19), if State law requires the employee to actively search for employment after separation from employment as a condition for receiving unemployment compensation, such requirement shall be treated as met where the employee is temporarily unable to actively search for employment because the employee is engaged in seeking safety or relief for the employee or the employee's family from domestic violence, including—

''(A) going into hiding or relocating or attempting to do so, including activities associated with such hiding or relocation, such as seeking to obtain sufficient shelter, food, schooling for children, or other necessities of life for the employee or the employee's family;

''(B) actively pursuing legal protection or remedies, including meeting with the police, going to court to make inquiries or file papers, meeting with attorneys, or attending court proceedings; or

''(C) participating in psychological, social, or religious counseling or support activities to assist the employee in ending domestic violence.

''(4) PROVISION OF INFORMATION TO MEET CERTAIN REQUIREMENTS.—In determining if an employee meets the requirements of paragraphs (1), (2), and (3), the unemployment agency of the State in which an employee is requesting unemployment compensation by reason of subsection (a)(19) may require the employee to provide—

''(A) documentation of the domestic violence, such as police or court records, or documentation of the domestic violence from a shelter worker or an employee of a domestic violence program, an attorney, a clergy member, or a medical or other professional from whom the employee has sought assistance in addressing domestic violence and its effects; or

''(B) other corroborating evidence, such as a statement from any other individual with

knowledge of the circumstances which provide the basis for the claim, or physical evidence of domestic violence, such as photographs, torn or bloody clothes.

All evidence of domestic violence experienced by an employee, including an employee's statement, any corroborating evidence, and the fact that an employee has applied for or inquired about unemployment compensation available by reason of subsection (a)(19) shall be retained in the strictest confidence by such State unemployment agency, except to the extent consented to by the employee where disclosure is necessary to protect the employee's safety.

''(5) EFFECT OF CLAIMS.—Claims filed for unemployment compensation solely by reason of subsection (a)(19) shall be disregarded in determining an employer's State unemployment taxes based on unemployment experience.''.

(b) SOCIAL SECURITY PERSONNEL TRAINING.—Section 303(a) of the Social Security Act (42 U.S.C. 503(a)) is amended by redesignating paragraphs (4) through (10) as paragraphs (5) through (11), respectively, and by inserting after paragraph (3) the following:

''(4) Such methods of administration as will ensure that claims reviewers and hearing personnel are adequately trained in the nature and dynamics of claims for unemployment compensation based on domestic violence under section 3304(a)(20) of the Internal Revenue Code of 1986 and in methods of ascertaining and keeping confidential information about possible experiences of domestic violence to ensure that requests for unemployment compensation based on domestic violence are reliably screened, identified, and adjudicated, and to ensure that complete confidentiality is provided for the employee's claim and submitted evidence.''.

(c) DEFINITIONS.—Section 3306 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''(u) DOMESTIC VIOLENCE.—In this chapter, the term 'domestic violence' has the meaning given the term in section 2003 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2).''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply in the case of compensation paid for weeks beginning 180 days after the date of enactment of this Act.

(2) MEETING OF STATE LEGISLATURE.—If the Secretary of Labor identifies a State as requiring a change to its statutes or regulations in order to comply with the amendments made by this section, the amendments made by this Act shall apply in the case of compensation paid for weeks beginning after the earlier of—

(A) the date the State changes its statutes or regulations in order to comply with the amendments made by this section; or

(B) the end of the first session of the State legislature which begins after the date of enactment of this Act or which began prior to such date and remained in session for not less than 25 calendar days after such date;

except that in no case shall the amendments made by this Act apply before the date which is 180 days after the date of enactment of this Act. For purposes of the preceding sentence, the term ''session'' means a regular, special, budget, or other session of a State legislature.

SEC. 208. BATTERED IMMIGRANT WOMEN.

(a) FINDINGS.—Congress finds that—

(1) the goal of the immigration protections for battered immigrants included in the Violence Against Women Act of 1994 was to remove immigration laws as a barrier that kept battered immigrant women and children locked in abusive relationships;

(2) providing battered immigrant women and children who were experiencing domestic violence at home with protection against deportation allows them to obtain protection orders against their abusers and frees them to cooperate with law enforcement and prosecutors in criminal cases brought against their abusers and the abusers of their children; and

(3) there are several groups of battered immigrant women and children who do not have access to the immigration protections of the Violence Against Women Act of 1994, which means that their abusers are virtually immune from prosecution because their victims can be deported and the Immigration and Naturalization Service cannot offer them protection no matter how compelling their case under existing law.

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

(1) to promote criminal prosecutions of all persons who commit acts of battery or extreme cruelty against immigrant women and children;

(2) to offer protection against domestic violence occurring in family and intimate relationships that are covered in State protection order, domestic violence, and family law statutes; and

(3) to correct erosions of Violence Against Women Act immigration protections that occurred as a result of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996.

(c) EFFECT OF CHANGES IN ABUSERS' CITIZENSHIP STATUS.—(1) Section 204(a)(1)(A) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)(A)) is amended by adding at the end the following new clause:

''(v) For the purposes of any petition filed under clause (iii) or (iv), denaturalization, loss or renunciation, or changes to the abuser's citizenship status after filing of the petition shall not preclude the classification of the eligible self-petitioning spouse or child as an immediate relative.''.

(2) Section 204(a)(1)(B) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)(A)) is amended by adding at the end the following new clause:

''(iv)(I) For the purposes of petitions filed or approved under clauses (ii) and (iii), loss of lawful permanent residence status by a spouse or parent after the filing of a petition under that clause shall not preclude approval of the petition, and, for an approved petition, shall not affect the alien's ability to adjust status under section 245(a) and (c) or obtain status as a lawful permanent resident based on the approved self-petition under clauses (ii) and (iii).

''(II) Upon the lawful permanent resident spouse or parent becoming a United States citizen through naturalization, acquisition of citizenship, or other means, any petition filed with the Immigration and Naturalization Service and pending or approved under section 204(a)(1)(B) on behalf of an alien who has been battered or subjected to extreme cruelty may be deemed to be a petition filed under section 204(a)(1)(A) of this Act even if the acquisition of citizenship occurs after divorce.''.

(d) DETERMINATIONS OF GOOD MORAL CHARACTER.—

(1) CANCELLATIONS OF REMOVAL; SUSPENSIONS OF DEPORTATION.—Section 240A(b) of the Immigration and Nationality Act (8 U.S.C. 1229b) is amended by adding at the end the following:

''(4) GOOD MORAL CHARACTER DETERMINATIONS.—For the purposes of making 'good moral character' determinations under paragraph (2), the Attorney General is not limited by the criminal court record and may make a finding of good moral character, notwithstanding the existence of disqualifying criminal act or criminal conviction, in the case of an alien who has been battered or subjected to extreme cruelty but who—

''(i) has been convicted of, or who pled guilty to, violating a court order issued to protect the alien;

''(ii) was convicted of, or pled guilty to, prostitution, if the alien was forced into prostitution by an abuser;

''(iii) was convicted of or pled guilty to committing a crime if the alien committed the crime under duress from the person who battered or subjected the alien to extreme cruelty; or

''(iv) was convicted of or pled guilty to a domestic violence-related crime if the Attorney General determines that the alien acted in self-defense.

''(5) INCLUSION OF OTHER ALIENS IN PETITION.—An alien applying for relief under section 244(a)(3) (as in effect before the enactment of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996) or this subsection may include—

''(A) the alien's children in the alien's application if such children are physically present in the United States at the time of application, and, if the alien is found eligible for suspension, the Attorney General may adjust the status of the alien's children; or

''(B) the alien's parent in the alien's application in the case of an application filed by an alien who was abused by a citizen or lawful permanent resident parent and, if the alien is found eligible for suspension, the Attorney General may adjust the status of both the alien applicant and the alien's parent.

''(6) DETERMINATIONS UNDER SUSPENSION OF DEPORTATION.—For the purposes of making good moral character determinations under section 244(a)(3) of the Immigration and Nationality Act (as in effect before the enactment of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996), the Attorney General is not limited by the criminal court record and may make a finding of good moral character, notwithstanding the existence of a disqualifying criminal act or criminal conviction, in the case of an alien who has been battered or subjected to extreme cruelty but who—

''(i) has been convicted of, or who pled guilty to, violating a court order issued to protect the alien;

''(ii) has been convicted of, or who pled guilty to, prostitution if the alien was forced into prostitution by an abuser;

''(iii) has been convicted of, or pled guilty to committing, a crime under duress from the person who battered or subjected the alien to extreme cruelty; or

''(iv) was convicted of, or pled guilty to, a domestic violence-related crime if the Attorney General determines that the alien acted in self-defense.

(2) IMMEDIATE RELATIVE STATUS.—Section 204(a)(1)(A) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)(A)) is amended by adding at the end the following new clause:

''(vi)(I) For the purposes of making good moral character determinations under this subparagraph, the Attorney General is not limited by the criminal court record and may make a finding of good moral character, notwithstanding the existence of a disqualifying criminal act or criminal conviction, in the case of an alien who otherwise qualifies for relief under section 204(a)(1)(A) (iii) or (iv), but who—

''(aa) has been convicted of, or who pled guilty to, violating a court order issued to protect the alien;

''(bb) was convicted of, or pled guilty to, prostitution if the alien was forced into prostitution by an abuser;

''(cc) was convicted of, or pled guilty to, committing a crime under duress from the

person who battered or subjected the alien to extreme cruelty; or

''(dd) was convicted of, or pled guilty to, a domestic violence-related crime, if the Attorney General determines that the alien acted in self-defense.

''(II) After finding that an alien has been battered or subjected to extreme cruelty and is otherwise eligible for relief under section 204(a)(1)(A) (iii) or (iv), the Attorney General may make a finding of 'good moral character' with respect to the alien, notwithstanding the existence of a disqualifying criminal act or criminal conviction.''.

(3) SECOND PREFERENCE IMMIGRATION STATUS—Section 204(a)(1)(B) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)(B)) is amended by adding at the end the following new clause:

''(v)(I) For the purposes of making good moral character determinations under this subparagraph, the Attorney General is not limited by the criminal court record and may make a finding of good moral character, notwithstanding the existence of a disqualifying criminal act or criminal conviction, in the case of an alien who otherwise qualifies for relief under section 204(a)(1)(B) (ii) and (iii), but who—

''(aa) has been convicted of, or who pled guilty to, violating a court order issued to protect the alien;

''(bb) was convicted of, or pled guilty to, prostitution where the alien was forced into prostitution by an abuser;

''(cc) was convicted of, or pled guilty to, committing a crime under duress from the person who battered or subjected the alien to extreme cruelty; or

''(dd) was convicted of, or pled guilty to, a domestic violence-related crime, if the Attorney General determines that the alien acted in self-defense.

''(II) After finding that an alien has been battered or subjected to extreme cruelty and is otherwise eligible for relief under section 204(a)(1)(B) (ii) or (iii), the Attorney General may in the Attorney General's sole discretion make a finding of good moral character with respect to the alien, notwithstanding the existence of a disqualifying criminal act or criminal conviction.''.

(e) WAIVERS OF INADMISSIBILITY.—(1) Section 212 of the Immigration and Nationality Act (8 U.S.C. 1182) is amended by adding at the end the following new subsection:

''(p) The Attorney General, in the Attorney General's discretion, may waive any provision of section 212 (other than subsection (a)(3), (10)(A), (10)(D), and (10)(E)) for humanitarian purposes, to assure family unity, or when it is otherwise in the public interest for any alien who qualifies for—

''(1) status under clause (iii) or (iv) of section 204(a)(1)(A) or classification under clause (ii) or (iii) of section 204(a)(1)(B); or

''(2) relief under section 240A(b)(2) or 244(a)(3) (as in effect before the enactment of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996).''.

(2) Section 212(h)(1) of the Immigration and Nationality Act (8 U.S.C. 1182(h)(1)) is amended—

(A) at the end of subparagraph (A), by striking ''or'';

(B) at the end of subparagraph (B), by striking ''and'' and inserting ''or''; and

(C) by adding at the end the following new subparagraph:

''(C) in the case of an alien who qualifies for status under clause (iii) or (iv) of section 204(a)(1)(A) or classification under clause (ii) or (iii) of section 204(a)(1)(B) or who qualifies for relief under section 240A(b)(2), or section 244(a)(3) (as in effect before the enactment of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996), if it is established to the satisfaction of the the Attorney General that the alien's admission would further humanitarian purposes, ensure family unity, or otherwise be in the public interest; and''.

(3) Section 212(a)(2) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(2)) is amended by adding at the end the following new subparagraph:

''(G) EXCEPTIONS.—The provisions of this paragraph shall not apply to deny admissibility to an alien if the Attorney General has approved the alien's self-petition or application pursuant to section 204(a)(1)(A) (iii) or (iv), 204(a)(1)(B) (ii) or (iii), 240A(b)(2), or 244(a)(3) (as in effect before the title III–A effective date in section 309 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1101 note).

(f) WAIVER OF CERTAIN REMOVAL GROUNDS.—Section 237(a)(2)(E) of the Immigration and Nationality Act (8 U.S.C. 1227(a)(2)(E)) is amended by inserting at the end the following new clause:

''(iii) WAIVER.—The Attorney General may waive the application of clauses (i) and (ii)—

''(I) upon determination that—

''(aa) the alien was acting in self-defense,

''(bb) the alien was not the primary perpetrator of violence in the relationship,

''(cc) the alien was found to have violated a protection order intended to protect the alien, or

''(dd) the alien was convicted of committing a crime under duress from the person who subjected the alien to battering or extreme cruelty, or

''(II) for humanitarian purposes.''.

(g) PROCEDURE FOR GRANTING IMMIGRANT STATUS.—

(1) DEFINITION.—Section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)) is amended by adding at the end the following new paragraph:

''(50) The term 'intended spouse' means any alien who meets the criteria set forth in section 204(j)(1)(B) or 204(k)(1)(B).''.

(2) IMMEDIATE RELATIVE STATUS.—

(A) SELF-PETITIONING SPOUSES.—Section 204(a)(1)(A)(iii) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)(A)(iii)) is amended to read as follows:

''(iii) An alien who is described in subsection (j) may file a petition with the Attorney General under this clause for classification of the alien (and any child of the alien if such a child has not been classified under clause (iv)) under section 201(b)(2)(A)(i) if the alien demonstrates to the Attorney General that—

''(I) the alien is residing in the United States (unless the alien's spouse, intended spouse, or parent is an employee of the Department of State or a member of the United States Armed Forces stationed abroad);

''(II) the marriage or the intent to marry the United States citizen was entered into in good faith by the alien; and

''(III) during the marriage or relationship intended by the alien to be legally a marriage, the alien or a child of the alien has been battered or has been the subject of extreme cruelty perpetrated by the alien's spouse or intended spouse.''.

(B) DEFINITION.—Section 204 of the Immigration and Nationality Act is amended (8 U.S.C. 1154) by adding at the end the following:

''(j) DEFINITION.—An alien described in subsection (a)(1)(A)(iii) is an alien—

''(1)(A) who is the spouse of a citizen of the United States; or

''(B)(i) who believed in good faith that he or she had married a citizen of the United States;

''(ii) whose marriage to such citizen would otherwise meet the definition of qualifying marriage under section 216(d)(1)(A)(i); and

''(iii) who otherwise meets any applicable requirements under this Act to establish the existence of and bona fides of a marriage;

but whose marriage is not legitimate solely because of the bigamy of such citizen of the United States;

''(2) who is a person of good moral character;

''(3) who is eligible to be classified as an immediate relative under section 201(b)(2)(A)(i) or who would have been so classified but for the bigamy of the citizen of the United States that the alien intended to marry; and

''(4) who has resided in the United States with the alien's spouse or intended spouse, or has resided within or outside the territory of the United States with the citizen spouse at the assigned foreign duty station if the alien's spouse or intended spouse is an employee of the Department of State or a member of the United States Armed Forces stationed abroad.''.

(C) SELF-PETITIONING CHILDREN.—Section 204(a)(1)(A)(iv) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)(A)(iv)) is amended to read as follows:

''(iv) An alien who is the child of a citizen of the United States, who is a person of good moral character, who is eligible to be classified as an immediate relative under section 201(b)(2)(A)(i), and who has resided in the United States with the citizen parent (or has resided within or outside the territory of the United States with the citizen parent at the assigned foreign duty station if the alien's parent is an employee of the Department of State or a member of the United States Armed Forces stationed abroad) may file a petition with the Attorney General under this subparagraph for classification of the alien under such section if the alien demonstrates to the Attorney General that the alien is residing in the United States (unless the alien's parent is an employee of the Department of State or a member of the United States Armed Forces stationed abroad) and during the period of residence with the citizen parent in the United States or at the assigned foreign duty station the alien has been battered by or has been the subject of extreme cruelty perpetrated by the alien's citizen parent.''.

(D) FILING OF PETITIONS.—Section 204(a)(1)(A) of the Immigration and Nationality Act (8 U.S.C. 1154 (a)(1)(A)) is amended by adding at the end the following new clause:

(vii) ''An alien who is the spouse, intended spouse, or child filing under clause (iii) or (iv) of this subparagraph of an employee of the Department of State or a member of the United States Armed Forces stationed abroad eligible to file a petition under this subsection shall file such petition with the Attorney General.''.

(3) SECOND PREFERENCE IMMIGRATION STATUS.—

(A) SELF-PETITIONING SPOUSES.—Section 204(a)(1)(B)(ii) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)(B)(ii)) is amended to read as follows:

''(ii) An alien who is described in subsection (k) may file a petition with the Attorney General under this clause for classification of the alien (and any child of the alien if such a child has not been classified under clause (iii)) under section 203(a)(2)(A) if the alien demonstrates to the Attorney General that—

''(I) the alien is residing in the United States (unless the alien's spouse, intended spouse, or child is an employee of the Department of State or a member of the United States Armed Forces stationed abroad);

''(II) the marriage or the intent to marry the lawful permanent resident was entered into in good faith by the alien; and

''(III) during the marriage or relationship intended by the alien to be legally a marriage, the alien or a child of the alien has been battered or has been the subject of extreme cruelty perpetrated by the alien's spouse or intended spouse.''.

(B) DEFINITION.—Section 204 of the Immigration and Nationality Act (8 U.S.C. 1154) is amended by adding at the end the following:

''(k) DEFINITION.—An alien described in subsection (a)(1)(B)(ii) is an alien—

''(1)(A) who is the spouse of a lawful permanent resident of the United States; or

''(B)(i) who believed in good faith that he or she had married a lawful permanent resident of the United States;

''(ii) whose marriage to such lawful permanent resident would otherwise meet the definition of qualifying marriage under section 216(d)(1)(A)(i); and

''(iii) who otherwise meets any applicable requirements under this Act to establish the existence of and bona fides of a marriage;
but whose marriage is not legitimate solely because of the bigamy of such lawful permanent resident of the United States;

''(2) who is a person of good moral character;

''(3) who is eligible to be classified as a spouse of an alien lawfully admitted for permanent residence under section 203(a)(2)(A) or who would have been so classified but for the bigamy of the lawful permanent resident of the United States that the alien intended to marry; and

''(4) who has resided in the United States with the alien's spouse or intended spouse, or has resided within or outside the territory of the United States with the lawful permanent resident spouse or intended spouse at the assigned foreign duty station if the alien's spouse or intended spouse is an employee of the Department of State or a member of the United States Armed Forces stationed abroad.''.

(C) SELF-PETITIONING CHILDREN.—Section 204(a)(1)(B)(iii) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)(B)(iii)) is amended to read as follows:

''(iii) An alien who is the child of an alien lawfully admitted for permanent residence, who is a person of good moral character, who is eligible for classification under section 203(a)(2)(A), and who has resided in the United States with the alien's permanent resident alien parent (or has resided within or outside the territory of the United States with the lawful permanent resident parent at the assigned foreign duty station if the alien's parent is an employee of the Department of State or a member of the United States Armed Forces stationed abroad) may file a petition with the Attorney General under this subparagraph for classification of the alien under such section if the alien demonstrates to the Attorney General that the alien is residing in the United States (unless the alien's parent is an employee of the Department of State or a member of the United States Armed Forces stationed abroad) and during the period of residence with the permanent resident parent in the United States or at the assigned foreign duty station the alien has been battered by or has been the subject of extreme cruelty perpetrated by the alien's permanent resident parent.''.

(D) FILING OF PETITIONS.—Section 204(a)(1)(B) of the Immigration and Nationality Act (8 U.S.C. 1154 (a)(1)(B)) is amended by adding at the end the following new clause:

''(vi) An alien who is the spouse, intended spouse, or child filing under clauses (ii) and (iii) of this subparagraph of an employee of the Department of State or a member of the United States Armed Forces stationed abroad eligible to file a petition under this subsection shall file such petition with the Attorney General.''.

(h) ADJUSTMENT OF STATUS.—(1) Section 245 of the Immigration and Nationality Act (8 U.S.C. 1255) is amended—

(A) in subsection (a), by inserting '', or the status of any other alien having an approved petition for classification under subparagraph (A)(iii), (A)(iv), (A)(v), (B)(ii), or (B)(iii) of section 204(a)(1),'' after ''into the United States'';

(B) in subsections (c)(2) and (c)(4) by inserting ''or an alien having an approved petition for classification under subparagraph (A)(iii), (A)(iv), (A)(v), (B)(ii), or (B)(iii) of section 204(a)(1),'' after ''other than an immediate relative as defined in section 201(b)'' each place it appears;

(C) in subsection (c)(5), by inserting ''(other than an alien having an approved petition for classification under subparagraph (A)(iii), (A)(iv), (A)(v), (B)(ii), or (B)(iii) of section 204(a)(1)),'' after ''an alien''; and

(D) in subsection (c)(8), by inserting ''(other than an alien having an approved petition for classification under subparagraph (A)(iii), (A)(iv), (A)(v), (B)(ii), or (B)(iii) of section 204(a)(1)),'' after ''any alien''.

(2) The amendments made by paragraph (1) shall apply to applications for adjustment of status pending on or made on or after the date of enactment of this Act.

(3) Section 245(d) of the Immigration and Nationality Act (8 U.S.C. 1255(d)) is amended by adding at the end the following new sentence: ''This paragraph shall not apply to aliens who seek adjustment of status on the basis of an approved self-petition under clause (iii) or (iv) of section 204(a)(1)(A) or classification under clause (ii) or (iii) of section 204(a)(1)(B).''.

(i) ELIMINATING TIME LIMITATIONS ON MOTIONS TO REOPEN REMOVAL AND DEPORTATION PROCEEDINGS FOR VICTIMS OF DOMESTIC VIOLENCE.—

(1) REMOVAL PROCEEDINGS.—

(A) IN GENERAL.—Section 240(c)(6)(C) of the Immigration and Nationality Act (8 U.S.C. 1229a(c)(6)(C)) is amended by adding at the end the following:

''(iv) SPECIAL RULE FOR BATTERED SPOUSES AND CHILDREN.—There is no time limit on the filing of a motion to reopen, and the deadline specified in subsection (b)(5)(C) does not apply, if the basis of the motion is to apply for adjustment of status based on a petition filed under clause (iii) or (iv) of section 204(a)(1)(A), clause (ii) or (iii) of section 204(a)(1)(B), or section 240A(b)(2) and if the motion to reopen is accompanied by a cancellation of removal application to be filed with the Attorney General or by a copy of the self-petition that will be filed with the Immigration and Naturalization Service upon the granting of the motion to reopen.''.

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) shall take effect as if included in the enactment of section 304 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996.

(2) DEPORTATION PROCEEDINGS.—

(A) IN GENERAL.—Notwithstanding any limitation imposed by law on motions to reopen deportation proceedings under the Immigration and Nationality Act (as in effect before the title III–A effective date in section 309 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1101 note)), there is no time limit on the filing of a motion to reopen such proceedings, and the deadline specified in section 242B(c)(3) of the Immigration and Nationality Act (as so in effect) does not apply, if the basis of the motion is to apply for relief under clause (iii) or (iv) of section 204(a)(1)(A) of the Immigration and Nationality Act, clause (ii) or (iii) of section 204(a)(1)(B) of such Act, or section 244(a)(3) of such Act (as so in effect) and if the motion to reopen is accompanied by a suspension of deportation application to be filed with the Attorney General or by a copy of the self-petition that will be filed with the Immigration and Naturalization Service upon the granting of the motion to reopen.

(B) APPLICABILITY.—Subparagraph (A) shall apply to motions filed by aliens who—

(i) are, or were, in deportation proceedings under the Immigration and Nationality Act (as in effect before the title III–A effective date in section 309 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1101 note)); and

(ii) have become eligible to apply for relief under clause (iii) or (iv) of section 204(a)(1)(A) of the Immigration and Nationality Act, clause (ii) or (iii) of section 204(a)(1)(B) of such Act, or section 244(a)(3) of such Act (as in effect before the title III–A effective date in section 309 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1101 note)) as a result of the amendments made by—

(I) subtitle G of title IV of the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322; 108 Stat. 1953 et seq.); or

(II) section XX03 of this title.

(j) CANCELLATION OF REMOVAL; ADJUSTMENT OF STATUS.—(1)(A) Paragraph (1) of section 240A(d) of the Immigration and Nationality Act (8 U.S.C. 1229b(d)(1)) is amended to read as follows:

''(1) TERMINATION OF CONTINUOUS PERIOD.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), for purposes of this section, any period of continuous residence or continuous physical presence in the United States shall be deemed to end when the alien is served a notice to appear under section 239(a) or when the alien has committed an offense referred to in section 212(a)(2) that renders the alien inadmissible to the United States under section 212(a)(2) or removable from the United States under section 237(a)(2) or 237(a)(4), whichever is earliest.

''(B) SPECIAL RULE FOR BATTERED SPOUSE OR CHILD.—For purposes of subsection (b)(2), the service of a notice to appear referred to in subparagraph (A) shall not be deemed to end any period of continuous physical presence in the United States.''.

(B) Section 240A(e)(3) of the Immigration and Nationality Act (8 U.S.C. 1229b(d)(1)) is amended by adding at the end the following new subsection:

''(C) Aliens in removal proceedings who applied for cancellation of removal under section 240A(b)(2).''.

(C) The amendments made by subparagraphs (A) and (B) shall take effect as if included in the enactment of section 304 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (Public Law 104–208; 110 Stat. 587).

(2)(A) Section 309(c)(5)(C) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1101 note) is amended—

(i) by amending the subparagraph heading to read as follows:

''(C) SPECIAL RULE FOR CERTAIN ALIENS GRANTED TEMPORARY PROTECTION FROM DEPORTATION AND FOR BATTERED SPOUSES AND CHILDREN.—''; and

(ii) in clause (i)—

(I) by striking ''or'' at the end of subclause (IV);

(II) by striking the period at the end of subclause (V) and inserting ''; or''; and

(III) by adding at the end the following:

''(VI) is an alien who was issued an order to show cause or was in deportation proceedings prior to April 1, 1997, and who applied for suspension of deportation under section 244(a)(3) of the Immigration and Nationality Act (as in effect before the date of the enactment of this Act).''.

(B) The amendments made by subparagraph (A) shall take effect as if included in the enactment of section 309 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1101 note).

(3) Section 240A(d)(2) of the Immigration and Nationality Act (8 U.S.C. 1229b(d)(2)) is amended to read as follows:

''(2) An alien shall be considered to have failed to maintain continuous physical presence in the United States under subsections (b)(1) and (b)(2) if the alien has departed from the United States for any period in excess of 90 days or for periods in the aggregate exceeding 180 days. In the case of an alien applying for cancellation of removal under subsection (b)(2), the Attorney General may waive the provisions of this subsection for humanitarian purposes, if the alien demonstrates a substantial connection between the absences and the battery or extreme cruelty forming the basis of the application for cancellation of removal.''.

(4) Section 244(a)(3) of the Immigration and Nationality Act (as in effect before the title III–A effective date of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (Public Law 104–208; division C; 110 Stat. 3009–625)) is amended by adding at the end the following: ''The Attorney General may waive the physical presence requirement for humanitarian purposes if the alien demonstrates a substantial connection between the absences and the battery or extreme cruelty forming the basis of the application for suspension of deportation.''.

(k) EXCEPTION TO PUBLIC CHARGE GROUNDS OF INADMISSIBILITY.—Section 212(a)(4) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(4)) is amended by adding at the end the following new subparagraph:

''(E) EXCEPTION.—Subparagraph (A) shall not apply to—

''(i) an alien who qualifies for status as a spouse or child of a United States citizen or lawful permanent resident pursuant to clause (iii) or (iv) of section 204(a)(1)(A) or clause (ii) or (iii) of section 204(a)(1)(B);

''(ii) an alien who qualifies for status as the spouse or child of a United States citizen or lawful permanent resident under section 204(a)(1)(A) (i) or (ii) or section 204(a)(1)(B)(i) and who has been battered or subjected to extreme cruelty; or

''(iii) derivatives and immediate relative children of aliens under clause (i) or (ii) of this subparagraph.''.

(*l*) GRANTS TO COMBAT VIOLENT CRIMES AGAINST WOMEN.—

(1) IN GENERAL.—Section 2001 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg) is amended—

(A) in subsection (a), by inserting '', the Immigration and Naturalization Service and the Executive Office of Immigration Review,'' after ''Indian tribal governments''; and

(B) in subsection (b)—

(i) in paragraph (1), by inserting '', immigration and asylum officers, immigration judges,'' after ''law enforcement officers'';

(ii) in paragraph (6), by striking ''and'' at the end;

(iii) in paragraph (7), by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(8) training justice system personnel on the immigration provisions of the Violence Against Women Act of 1994 and the ramifications of those provisions for victims of domestic violence who appear in civil and criminal court proceedings and potential immigration consequences for the perpetrators of domestic violence.''.

(2) GRANTS TO ENCOURAGE ARREST POLICIES.—Section 2101(c) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796hh(c)) is amended—

(A) in paragraph (3), by striking ''and'' at the end;

(B) by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(5) certify that their laws, policies, and practices do not discourage or prohibit prosecutors and law enforcement officers from granting access to information about the immigration status of a domestic violence perpetrator to the victim, the child, or their advocate''.

(3) EFFECT ON OTHER GOALS.—Section 287(g) of the Immigration and Nationality Act (8 U.S.C. 1357(g)) is amended by adding at the end the following:

''(11) Notwithstanding any other provision of this section, identifying and reporting the alien status of a crime victim or of a victim of a domestic violence crime shall not supersede the goal of obtaining the cooperation of the victim in the reporting and prosecution of such crime or the goal of protecting the victim of such crime with a protection order or other legal relief available to assist crime victims or domestic violence victims under Federal or State laws.''.

(m) REPORT.—Not later than 6 months after the date of enactment of this Act, the Attorney General shall submit to the Committees on the Judiciary of the Senate and House of Representatives a report on—

(1) the number of and processing times of petitions under section 204(a)(1)(A) (iii) and (iv) and 204(a)(1)(B) (ii) and (iii) of the Immigration and Nationality Act at district offices of the Immigration and Naturalization Service and at the regional office of the Service in St. Albans, Vermont;

(2) the policy and procedures of the Immigration and Naturalization Service by which an alien who has been battered or subjected to extreme cruelty who is eligible for suspension of deportation or cancellation of removal under can place him or herself in deportation or removal proceedings so that he or she may apply for suspension of deportation or cancellation of removal, the number of requests filed at each district office under this policy and the number of these requests granted broken out by District; and

(3) the average length of time at each Immigration and Naturalization office between the date that an alien who has been subject to battering or extreme cruelty eligible for suspension of deportation or cancellation of removal requests to be placed in deportation or removal proceedings, and the date that immigrant appears before an immigration judge to file an application for suspension of deportation or cancellation of removal.

SEC. 209. OLDER WOMEN'S PROTECTION FROM VIOLENCE.

(a) VIOLENCE AGAINST WOMEN ACT OF 1994 AMENDMENTS.—The Violence Against Women Act of 1994 (108 Stat. 1902) is amended by adding at the end the following:

''Subtitle H—Elder Abuse, Neglect, and Exploitation, Including Domestic Violence and Sexual Assault Against Older Individuals

''SEC. 40801. DEFINITIONS.

''In this subtitle:

''(1) IN GENERAL.—The terms 'elder abuse, neglect, and exploitation', 'domestic violence', and 'older individual' have the meanings given the terms in section 102 of the Older Americans Act of 1965 (42 U.S.C. 3002).

''(2) SEXUAL ASSAULT.—The term 'sexual assault' has the meaning given the term in section 2003 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2).

''SEC. 40802. LAW SCHOOL CLINICAL PROGRAMS ON ELDER ABUSE, NEGLECT, AND EXPLOITATION.

''The Attorney General shall make grants to law school clinical programs for the purposes of funding the inclusion of cases addressing issues of elder abuse, neglect, and exploitation, including domestic violence, and sexual assault, against older individuals.

''SEC. 40803. TRAINING PROGRAMS FOR LAW ENFORCEMENT OFFICERS.

''The Attorney General shall develop curricula and offer, or provide for the offering of, training programs to assist law enforcement officers and prosecutors in recognizing, addressing, investigating, and prosecuting instances of elder abuse, neglect, and exploitation, including domestic violence, and sexual assault, against older individuals.

''SEC. 40804. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated such sums as may be necessary to carry out this subtitle.''.

(b) FAMILY VIOLENCE PREVENTION AND SERVICES ACT AMENDMENTS.—

(1) DEFINITIONS.—Section 309 of the Family Violence Prevention and Services Act (42 U.S.C. 10408) is amended by adding at the end the following:

''(7) The term 'older individual' has the meaning given the term in section 102 of the Older Americans Act of 1965 (42 U.S.C. 3002).''.

(2) DOMESTIC VIOLENCE SERVICES FOR OLDER INDIVIDUALS.—Section 311(a) of the Family Violence Prevention and Services Act (42 U.S.C. 10410(a)) is amended—

(A) in paragraph (4), by striking ''and'' at the end;

(B) in paragraph (5), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(6) work with domestic violence programs to encourage the development of programs, including outreach, support groups, and counseling, targeted to older individuals.''.

(3) DEMONSTRATION GRANTS FOR COMMUNITY INITIATIVES.—Section 318(b)(2)(F) of the Family Violence Prevention and Services Act (42 U.S.C. 10418(b)(2)(F)) is amended by inserting ''and adult protective services entities'' before the semicolon.

(c) OLDER AMERICANS ACT OF 1965 AMENDMENTS.—

(1) DEFINITIONS.—Section 102 of the Older Americans Act of 1965 (42 U.S.C. 3002) is amended by adding at the end the following:

''(45) The term 'domestic violence' has the meaning given the term in section 2003 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2).

''(46) The term 'sexual assault' has the meaning given the term in section 2003 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2).''.

(2) RESEARCH ABOUT THE SEXUAL ASSAULT OF WOMEN WHO ARE OLDER INDIVIDUALS.—Section 202(d)(3)(C) of the Older Americans Act of 1965 (42 U.S.C. 3012(d)(3)(C)) is amended—

(A) by striking ''and'' at the end of clause (i);

(B) by striking the period at the end of clause (ii) and inserting ''; and''; and

(C) by adding at the end the following:

''(iii) in establishing research priorities under clause (i), consider the importance of research about the sexual assault of women who are older individuals.''.

(3) STATE LONG-TERM CARE OMBUDSMAN PROGRAM.—Section 303(a)(1) of the Older Americans Act of 1965 (42 U.S.C. 3023(a)(1)) is amended by inserting before the period the following: '', except that for grants to carry out section 321(a)(10), there are authorized to be appropriated such sums as may be necessary without fiscal year limitation''.

(4) TRAINING FOR HEALTH PROFESSIONALS ON SCREENING FOR ELDER ABUSE, NEGLECT, AND EXPLOITATION.—Section 411 of the Older Americans Act of 1965 (42 U.S.C. 3031) is amended by adding at the end the following:

''(f) TRAINING FOR HEALTH PROFESSIONALS ON SCREENING FOR ELDER ABUSE, NEGLECT, AND EXPLOITATION.—

''(1) IN GENERAL.—The Secretary shall, in consultation with the Assistant Secretary, develop curricula and implement continuing education training programs for protective service workers, health care providers, social workers, clergy, and other community-based social service providers in settings, including senior centers, adult day care settings, and senior housing, to improve the ability of the persons using the curriculum and training programs to recognize and address instances of elder abuse, neglect, and exploitation, including domestic violence, and sexual assault, against older individuals.

''(2) TRAINING AND CURRICULA.—In carrying out paragraph (1), the Secretary shall develop and implement separate curricula and training programs for adult protective services workers, medical students, physicians, physician assistants, nurse practitioners, nurses, and clergy.''.

(5) DOMESTIC VIOLENCE SHELTERS AND PROGRAMS FOR OLDER INDIVIDUALS.—Section 422(b) of the Older Americans Act of 1965 (42 U.S.C. 3035a(b)) is amended—

(A) by striking ''and'' at the end of paragraph (11);

(B) by striking the period at the end of paragraph (12) and inserting a semicolon; and

(C) by adding at the end the following:

''(13) expand access to domestic violence shelters and programs for older individuals and encourage the use of senior housing, nursing homes, or other suitable facilities or services when appropriate as emergency short-term shelters or measures for older individuals who are the victims of elder abuse, including domestic violence, and sexual assault, against older individuals; and

''(14) promote research on legal, organizational, or training impediments to providing services to older individuals through shelters, such as impediments to provision of the services in coordination with delivery of health care or senior services.''.

(6) AUTHORIZATION OF APPROPRIATIONS.—

(A) OMBUDSMAN PROGRAM.—Section 702(a) of the Older Americans Act of 1965 (42 U.S.C. 3058a(a)) is amended to read as follows:

''(a) OMBUDSMAN PROGRAM.—There are authorized to be appropriated to carry out chapter 2 such sums as may be necessary without fiscal year limitation.''.

(B) ELDER ABUSE PREVENTION PROGRAM.—Section 702(b) of the Older Americans Act of 1965 (42 U.S.C. 3058a(b)) is amended to read as follows:

''(b) PREVENTION OF ELDER ABUSE, NEGLECT, AND EXPLOITATION.—There are authorized to be appropriated to carry out chapter 3 such sums as may be necessary without fiscal year limitation.''.

(7) COMMUNITY INITIATIVES AND OUTREACH.—Title VII of the Older Americans Act of 1965 (42 U.S.C. 3058 et seq.) is amended—

(A) by redesignating subtitle C as subtitle D;

(B) by redesignating sections 761 through 764 as sections 771 through 774, respectively; and

(C) by inserting after subtitle B the following:

''Subtitle C—Community Initiatives and Outreach

''SEC. 761. COMMUNITY INITIATIVES TO COMBAT ELDER ABUSE, NEGLECT, AND EXPLOITATION.

''The Secretary shall make grants to nonprofit private organizations to support projects in local communities, involving diverse sectors of each community, to coordinate activities concerning intervention in and prevention of elder abuse, neglect, and exploitation, including domestic violence, and sexual assault, against older individuals.

''SEC. 762. OUTREACH TO OLDER INDIVIDUALS.

''The Secretary shall make grants to develop and implement outreach programs directed toward assisting older individuals who are victims of elder abuse, neglect, and exploitation (including domestic violence, and sexual assault, against older individuals), including programs directed toward assisting the individuals in senior housing complexes and senior centers.

''SEC. 763. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this subtitle such sums as may be necessary without fiscal year limitation.''.

(d) PUBLIC HEALTH SERVICE ACT AMENDMENTS.—

(1) TITLE VII PROGRAMS; PREFERENCES IN FINANCIAL AWARDS.—Section 791 of the Public Health Service Act (42 U.S.C. 295j), as amended by section 107(a) of the Health Professions Education Partnerships Act of 1998 (Public Law 105–392; 112 Stat. 3560) is amended by adding at the end the following:

''(d) PREFERENCES REGARDING TRAINING IN IDENTIFICATION AND REFERRAL OF VICTIMS OF ELDER ABUSE AND NEGLECT.—

''(1) IN GENERAL.—In the case of a health professions entity specified in paragraph (2), the Secretary shall, in making awards of grants or contracts under this title, give preference to any such entity (if otherwise a qualified applicant for the award involved) that has in effect the requirement that, as a condition of receiving a degree or certificate (as applicable) from the entity, each student have had significant training (such as training conducted in accordance with curricula or programs authorized under section 411(f) of the Older Americans Act of 1965 (42 U.S.C. 3031(f))), in carrying out the following functions as a provider of health care:

''(A) Identifying victims of elder abuse and neglect, including domestic violence, and sexual assault, against older individuals, and maintaining complete medical records that include documentation of the examination, treatment given, and referrals made, and recording the location and nature of the victim's injuries.

''(B) Examining and treating such victims, within the scope of the health professional's discipline, training, and practice, including, at a minimum, providing medical advice regarding the dynamics and nature of elder abuse and neglect.

''(C) Referring the victims to public and nonprofit private entities that provide services for such victims.

''(2) RELEVANT HEALTH PROFESSIONS ENTITIES.—For purposes of paragraph (1), a health professions entity specified in this paragraph is any entity that is a school of medicine, a school of osteopathic medicine, a graduate program in mental health practice, a school of nursing (as defined in section 801), a program for the training of physician assistants, or a program for the training of allied health professionals.

''(3) REPORT TO CONGRESS.—Not later than 2 years after the date of the enactment of the Violence Against Women Act II, the Secretary shall submit to the Committee on Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report specifying—

''(A) the health professions entities that are receiving preference under paragraph (1);

''(B) the number of hours of training required by the entities for purposes of such paragraph;

''(C) the extent of clinical experience so required; and

''(D) the types of courses through which the training is being provided.

''(4) DEFINITIONS.—In this subsection:

''(A) IN GENERAL.—The terms 'abuse', 'neglect', 'domestic violence', and 'older individual' have the meanings given the terms in section 102 of the Older Americans Act of 1965 (42 U.S.C. 3002).

''(B) ELDER ABUSE AND NEGLECT.—The term 'elder abuse and neglect' means abuse and neglect of an older individual.

''(C) SEXUAL ASSAULT.—The term 'sexual assault' has the meaning given the term in section 2003 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2).''.

(2) TITLE VIII PROGRAMS; PREFERENCES IN FINANCIAL AWARDS.—Section 806 of the Public Health Service Act (as added by section 123 of the Health Professions Education Partnerships Act of 1998 (Public Law 105–392)) is amended by adding at the end the following:

''(i) PREFERENCES REGARDING TRAINING IN IDENTIFICATION AND REFERRAL OF VICTIMS OF ELDER ABUSE AND NEGLECT.—

''(1) IN GENERAL.—In the case of a health professions entity specified in paragraph (2), the Secretary shall, in making awards of grants or contracts under this title, give preference to any such entity (if otherwise a qualified applicant for the award involved) that has in effect the requirement that, as a condition of receiving a degree or certificate (as applicable) from the entity, each student have had significant training (such as training conducted in accordance with curricula or programs authorized under section 411(f) of the Older Americans Act of 1965 (42 U.S.C. 3031(f))), in carrying out the following functions as a provider of health care:

''(A) Identifying victims of elder abuse and neglect, including domestic violence, and sexual assault, against older individuals, and maintaining complete medical records that include documentation of the examination, treatment given, and referrals made, and recording the location and nature of the victim's injuries.

''(B) Examining and treating such victims, within the scope of the health professional's discipline, training, and practice, including, at a minimum, providing medical advice regarding the dynamics and nature of elder abuse and neglect.

''(C) Referring the victims to public and nonprofit private entities that provide services for such victims.

''(2) RELEVANT HEALTH PROFESSIONS ENTITIES.—For purposes of paragraph (1), a health professions entity specified in this paragraph is any entity that is a school of nursing or other public or nonprofit private entity that is eligible to receive an award described in such paragraph.

''(3) REPORT TO CONGRESS.—Not later than 2 years after the date of the enactment of the Violence Against Women Act II, the Secretary shall submit to the Committee on Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report specifying—

''(A) the health professions entities that are receiving preference under paragraph (1);

''(B) the number of hours of training required by the entities for purposes of such paragraph;

''(C) the extent of clinical experience so required; and

''(D) the types of courses through which the training is being provided.

''(4) DEFINITIONS.—In this subsection:

''(A) IN GENERAL.—The terms 'abuse', 'neglect', 'domestic violence', and 'older individual' have the meanings given the terms in section 102 of the Older Americans Act of 1965 (42 U.S.C. 3002).

''(B) ELDER ABUSE AND NEGLECT.—The term 'elder abuse and neglect' means abuse and neglect of an older individual.

''(C) SEXUAL ASSAULT.—The term 'sexual assault' has the meaning given the term in section 2003 of the Omnibus Crime Control

and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2).''.

(3) CONFORMING AMENDMENT.—Section 411(f) of the Older Americans Act of 1965 (as added by subsection (c)(4)) is amended by adding at the end the following:

''(3) In carrying out paragraph (1), the Secretary shall provide information about the curricula and training programs to entities described in section 791(d)(2) of the Public Health Service Act (42 U.S.C. 295j(d)(2)) and section 806(i)(2) of the Public Health Service Act (as added by section 123 of the Health Professions Education Partnerships Act of 1998 and amended by section 209(d)(2) of the Violence Against Women Act II) that seek grants or contracts under title VII or VIII of such Act.''.

TITLE III—LIMITING THE EFFECTS OF VIOLENCE ON CHILDREN

SEC. 301. SAFE HAVENS FOR CHILDREN.

(a) IN GENERAL.—The Attorney General may make grants to States and Indian tribal governments to enable States and Indian tribal governments to enter into contracts and cooperative agreements with public or private nonprofit entities to assist those entities in establishing and operating supervised visitation centers for purposes of facilitating supervised visitation and visitation exchange of children by and between parents.

(b) CONSIDERATIONS.—In awarding grants under subsection (a), the Attorney General shall take into account—

(1) the number of families to be served by the proposed visitation center;

(2) the extent to which the proposed supervised visitation center serves underserved populations (as defined in section 2003 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2));

(3) with respect to an applicant for a contract or cooperative agreement, the extent to which the applicant demonstrates cooperation and collaboration with nonprofit, nongovernmental entities in the local community served, including the State domestic violence coalition, State sexual assault coalition, local shelters, and programs for domestic violence and sexual assault victims;

(4) the extent to which the applicant demonstrates coordination and collaboration with State and local court systems, including mechanisms for communication and referral; and

(5) the extent to which the applicant demonstrates implementation of domestic violence and sexual assault training for all employees.

(c) USE OF FUNDS.—

(1) IN GENERAL.—Amounts provided under a grant, contract, or cooperative agreement awarded under this section shall be used to establish and operate supervised visitation centers.

(2) APPLICANT REQUIREMENTS.—The Attorney General shall award grants for contracts and cooperative agreements under this section in accordance with such regulations as the Attorney General may promulgate. The regulations shall establish a multi-year grant process. The Attorney General shall give priority in awarding grants for contracts and cooperative agreements under this section to States that consider domestic violence in making a custody decision and require findings on the record. An applicant awarded a contract or cooperative agreement by a State that receives a grant under this section shall—

(A) demonstrate recognized expertise in the area of family violence and a record of high quality service to victims of domestic violence and/or sexual assault;

(B) demonstrate collaboration with and support of the State domestic violence coalition, sexual assault coalition or local domestic violence and sexual assault shelter or program in the locality in which the supervised visitation center will be operated;

(C) provide supervised visitation and visitation exchange services over the duration of a court order to promote continuity and stability;

(D) ensure that any fees charged to individuals for use of services are based on an individual's income;

(E) demonstrate that adequate security measures, including adequate facilities, procedures, and personnel capable of preventing violence, are in place for the operation of supervised visitation; and

(F) described standards by which the supervised visitation center will operate.

(d) REPORTING.—Not later than 120 days after the end of each fiscal year, the Attorney General shall submit to Congress a report that includes information concerning—

(1) the number of individuals served and the number of individuals turned away from services (categorized by State), the number of individuals from underserved populations served and turned away from services, and the type of problems that underlie the need for supervised visitation or visitation exchange, such as domestic violence, child abuse, sexual assault, emotional or other physical abuse, or a combination of such factors;

(2) the numbers of supervised visitations or visitation exchanges ordered during custody determinations under a separation or divorce decree or protection order, through child protection services or other social services agencies, or by any other order of a civil, criminal, juvenile, or family court;

(3) the process by which children or abused partners are protected during visitations, temporary custody transfers, and other activities for which the supervised visitation centers are established under this section;

(4) safety and security problems occurring during the reporting period during supervised visitations or at visitation centers including the number of parental abduction cases;

(5) the number of parental abduction cases in a judicial district using supervised visitation services, both as identified in criminal prosecution and custody violations; and

(6) program standards across the country that are in place for operating a supervised visitation center.

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section—

(A) $20,000,000 for fiscal year 2000;

(B) $30,000,000 for fiscal year 2001; and

(C) $30,000,000 for fiscal year 2002.

(2) DISTRIBUTION.—Of amounts made available to carry out this section for each fiscal year, not less than 95 percent shall be used to award grants, contracts, or cooperative agreements.

(3) ALLOTMENT FOR INDIAN TRIBES.—

(A) IN GENERAL.—Not less than 5 percent of the total amount made available to carry out this section for each fiscal year shall be available for grants to Indian tribal governments.

(B) REALLOTMENT OF FUNDS.—If, beginning 9 months after the first day of any fiscal year for which amounts are made available under this paragraph, any amount made available under this paragraph remains unobligated, the unobligated amount may be allocated without regard to subparagraph (A).

SEC. 302. STUDY OF CHILD CUSTODY LAWS IN DOMESTIC VIOLENCE CASES.

(a) IN GENERAL.—The Attorney General shall—

(1) conduct a study of Federal and State laws relating to child custody, including the Parental Kidnaping Prevention Act of 1980, and the amendments made by that Act, and the effect of those laws on child custody cases in which domestic violence is a factor; and

(2) submit to Congress a report describing the results of that study, including the effects of implementing or applying new model State laws, and the recommendations of the Attorney General regarding legislative changes to reduce the incidence or pattern of violence against women or of sexual assault of the child.

(b) SUFFICIENCY OF DEFENSES.—In carrying out subsection (a) with respect to the Parental Kidnaping Prevention Act of 1980, and the amendments made by that Act, the Attorney General shall examine the sufficiency of defenses to parental abduction charges available in cases involving domestic violence, and the burdens and risks encountered by victims of domestic violence arising from compliance with the full faith and credit (and judicial jurisdiction) requirements of that Act and the amendments made by that Act.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriate to carry out this section $200,000 for each of fiscal years 2000 and 2001.

(d) CONDITION FOR CUSTODY DETERMINATION.—Section 1738A(c)(2)(C)(ii) of title 28, United States Code, is amended—

(1) by striking ''he'' and inserting ''the child, or a sibling or parent of the child,''; and

(2) by inserting '', including any act of domestic violence by the other parent'' before the semicolon.

SEC. 303. REAUTHORIZATION OF RUNAWAY AND HOMELESS YOUTH GRANTS.

(a) IN GENERAL.—Section 316(c) of the Runaway and Homeless Youth Act (42 U.S.C. 5712d(c)) is amended to read as follows:

''(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section—

''(1) $21,000,000 for fiscal year 2000;

''(2) $22,000,000 for fiscal year 2001; and

''(3) $23,000,000 for fiscal year 2002.''.

(b) DISSEMINATION OF INFORMATION.—Section 316 of part A of the Runaway and Homeless Youth Act (42 U.S.C. 5712d) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

''(d) DISSEMINATION OF INFORMATION.—The Secretary shall annually compile and broadly disseminate (including through electronic publication) information about the use of amounts expended and the projects funded under this subtitle, including any evaluations of the projects and information to enable replication and adoption of the strategies identified in the projects. Such dissemination shall target community-based programs, including domestic violence and sexual assault programs.''.

SEC. 304. REAUTHORIZATION OF VICTIMS OF CHILD ABUSE PROGRAMS.

(a) COURT-APPOINTED SPECIAL ADVOCATE PROGRAM.—Section 218(a) of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13014(a)) is amended to read as follows:

''(a) AUTHORIZATION.—There are authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and

Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this subtitle—

''(1) $10,000,000 for fiscal year 2000; and

''(2) $12,000,000 for each of fiscal years 2001 and 2002.''.

(b) CHILD ABUSE TRAINING PROGRAMS FOR JUDICIAL PERSONNEL AND PRACTITIONERS.—Section 224(a) of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13024(a) is amended to read as follows:

''(a) AUTHORIZATION.—There are authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this subtitle $2,300,000 for each of fiscal years 2000 through 2002.''.

(c) GRANTS FOR TELEVISED TESTIMONY.—Section 1001(a)(7) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3793(a)(7)) is amended to read as follows:

''(7) There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out part N $1,000,000 for each of fiscal years 2000 through 2002.''.

(d) DISSEMINATION OF INFORMATION.—The Attorney General shall annually compile and broadly disseminate (including through electronic publication) information about the use of amounts expended and the projects funded under section 218(a) of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13014(a)), section 224(a) of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13024(a)), and section 1007(a)(7) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3793(a)(7)), including any evaluations of the projects and information to enable replication and adoption of the strategies identified in the projects. Such dissemination shall target community-based programs, including domestic violence and sexual assault programs.

TITLE IV—STRENGTHENING EDUCATION AND TRAINING TO COMBAT VIOLENCE AGAINST WOMEN

SEC. 401. EDUCATION AND TRAINING OF HEALTH PROFESSIONALS.

(a) TITLE VII PROGRAMS; PREFERENCES IN FINANCIAL AWARDS.—Section 791 of the Public Health Service Act (42 U.S.C. 295j), as amended by section 209 of this Act, is amended by adding at the end the following:

''(d) PREFERENCES REGARDING TRAINING IN IDENTIFICATION AND REFERRAL OF VICTIMS OF DOMESTIC VIOLENCE.—

''(1) IN GENERAL.—In the case of a health professions entity specified in paragraph (2), the Secretary shall, in making awards of grants or contracts under this title, give preference to any such entity (if otherwise a qualified applicant for the award involved) that has in effect the requirement that, as a condition of receiving a degree or certificate (as applicable) from the entity, each student have had significant training in carrying out the following functions as a provider of health care:

''(A) Identifying victims of domestic violence, and maintaining complete medical records that include documentation of the examination, treatment given, and referrals made, and recording the location and nature of the victim's injuries.

''(B) Examining and treating such victims, within the scope of the health professional's discipline, training, and practice, including, at a minimum, providing medical advice regarding the dynamics and nature of domestic violence.

''(C) Referring the victims to public and nonprofit private entities that provide services for such victims.

''(2) RELEVANT HEALTH PROFESSIONS ENTITIES.—For purposes of paragraph (1), a health professions entity specified in this paragraph is any entity that is a school of medicine, a school of osteopathic medicine, a graduate program in mental health practice, a school of nursing (as defined in section 853), a program for the training of physician assistants, or a program for the training of allied health professionals.

''(3) REPORT TO CONGRESS.—Not later than 2 years after the date of enactment of this subsection, the Secretary shall submit to the Committee on Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report specifying—

''(A) the health professions entities that are receiving preference under paragraph (1);

''(B) the number of hours of training required by the entities for purposes of such paragraph;

''(C) the extent of clinical experience so required; and

''(D) the types of courses through which the training is being provided.

''(4) DEFINITION OF DOMESTIC VIOLENCE.—In this subsection, the term 'domestic violence' includes behavior commonly referred to as domestic violence, sexual assault, spousal abuse, woman battering, partner abuse, child abuse, elder abuse, and acquaintance rape.''.

(b) TITLE VIII PROGRAMS; PREFERENCES IN FINANCIAL AWARDS.—Section 860 of the Public Health Service Act (42 U.S.C. 298b–7), as amended by section 209 of this Act, is amended by adding at the end the following:

''(g) PREFERENCES REGARDING TRAINING IN IDENTIFICATION AND REFERRAL OF VICTIMS OF DOMESTIC VIOLENCE.—

''(1) IN GENERAL.—In the case of a health professions entity specified in paragraph (2), the Secretary shall, in making awards of grants or contracts under this title, give preference to any such entity (if otherwise a qualified applicant for the award involved) that has in effect the requirement that, as a condition of receiving a degree or certificate (as applicable) from the entity, each student have had significant training in carrying out the following functions as a provider of health care:

''(A) Identifying victims of domestic violence, and maintaining complete medical records that include documentation of the examination, treatment given, and referrals made, and recording the location and nature of the victim's injuries.

''(B) Examining and treating such victims, within the scope of the health professional's discipline, training, and practice, including, at a minimum, providing medical advice regarding the dynamics and nature of domestic violence.

''(C) Referring the victims to public and nonprofit private entities that provide services for such victims.

''(2) RELEVANT HEALTH PROFESSIONS ENTITIES.—For purposes of paragraph (1), a health professions entity specified in this paragraph is any entity that is a school of nursing or other public or nonprofit private entity that is eligible to receive an award described in such paragraph.

''(3) REPORT TO CONGRESS.—Not later than 2 years after the date of the enactment of the Domestic Violence Identification and Referral Act of 1997, the Secretary shall submit to the Committee on Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report specifying—

''(A) the health professions entities that are receiving preference under paragraph (1);

''(B) the number of hours of training required by the entities for purposes of such paragraph;

''(C) the extent of clinical experience so required; and

''(D) the types of courses through which the training is being provided.

''(4) DEFINITION OF DOMESTIC VIOLENCE.—In this subsection, the term 'domestic violence' includes behavior commonly referred to as domestic violence, sexual assault, spousal abuse, woman battering, partner abuse, child abuse, elder abuse, and acquaintance rape.''.

SEC. 402. EDUCATION AND TRAINING IN APPROPRIATE RESPONSES TO VIOLENCE AGAINST WOMEN.

(a) AUTHORITY.—The Attorney General may make grants in accordance with this section to public and private nonprofit entities that, in the determination of the Attorney General, have—

(1) nationally recognized expertise in the areas of domestic violence and sexual assault; and

(2) a record of commitment and quality responses to reduce domestic violence and sexual assault.

(b) PURPOSE.—Grants under this section may be used for the purposes of developing, testing, presenting, and disseminating model programs to provide education and training in appropriate and effective responses to victims of domestic violence and victims of sexual assault (including, as appropriate, the effects of domestic violence on children) to individuals (other than law enforcement officers and prosecutors) who are likely to come into contact with such victims during the course of their employment, including—

(1) campus personnel, such as administrators, housing officers, resident advisers, counselors, and others;

(2) caseworkers, supervisors, administrators, administrative law judges, and other individuals administering Federal and State benefits programs, such as child welfare and child protective services, Temporary Assistance to Needy Families, social security disability, child support, medicaid, unemployment, workers' compensation, and similar programs;

(3) justice system professionals, such as court personnel, guardians ad litem and other individuals appointed to represent or evaluate children, probation and parole officers, bail commissioners, judges, and attorneys;

(4) medical and health care professionals, including mental and behavioral health professionals such as psychologists, psychiatrists, social workers, therapists, counselors, and others; and

(5) religious professionals, such as clergy persons and lay employees.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section $5,000,000 for each of fiscal years 2000 through 2002.

SEC. 403. RAPE PREVENTION AND EDUCATION.

(a) IN GENERAL.—Part J of title III of the Public Health Service Act (42 U.S.C. 280b et seq.) is amended by inserting after section 393A the following:

''SEC. 393B. USE OF ALLOTMENTS FOR RAPE PREVENTION EDUCATION.

''(a) PERMITTED USE.—Notwithstanding section 1904(a)(1), amounts transferred by the State for use under this part shall be used for rape prevention and education programs conducted by rape crisis centers, State sexual assault coalitions, and other public and private nonprofit entities for—

''(1) educational seminars;

''(2) the operation of hotlines;

''(3) training programs for professionals;

''(4) the preparation of informational material;

''(5) education and training programs for students and campus personnel designed to reduce the incidence of sexual assault at colleges and universities; and

''(6) other efforts to increase awareness of the facts about, or to help prevent, sexual assault, including efforts to increase awareness in underserved communities and awareness among individuals with disabilities (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).

''(b) NATIONAL RESOURCE CENTER.—The Secretary of Health and Human Services shall, through the National Center for Injury Prevention and Control at the Centers for Disease Control and Prevention, establish a National Resource Center on Sexual Assault to provide resource information, policy, training, and technical assistance to Federal, State, and Indian tribal agencies, as well as to State sexual assault coalitions and local sexual assault programs and to other professionals and interested parties on issues relating to sexual assault. The Resource Center shall maintain a central resource library in order to collect, prepare, analyze, and disseminate information and statistics and analyses thereof relating to the incidence and prevention of sexual assault.

''(c) TARGETING OF EDUCATION PROGRAMS.—States providing grant moneys must ensure that not less than 25 percent of the funds are used for educational programs targeted for middle school, junior high, and high school students. The programs targeted under this subsection shall be provided by or in consultation with rape crisis centers, State sexual assault coalitions, or other entities recognized for their expertise in preventing sexual assault or in providing services to victims of sexual assault.

''(d) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section—

''(A) $55,000,000 for fiscal year 2000;

''(B) $60,000,000 for fiscal year 2001; and

''(C) $60,000,000 for fiscal year 2002.

''(2) SEXUAL ASSAULT COALITIONS.—Not less than 10 percent of the total amount made available under this subsection in each fiscal year shall be used to make grants to State sexual assault coalitions to address public health issues associated with sexual assault through training, resource development, or similar research.

''(3) NATIONAL RESOURCE CENTER ALLOTMENT.—Not less than 1 percent of the total amount made available under this subsection in each fiscal year shall be available for allotment under subsection (b).

''(e) LIMITATIONS.—

''(1) SUPPLEMENT NOT SUPPLANT.—Amounts transferred by States for use under this section shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide services of the type described in subsection (a).

''(2) STUDIES.—A State may not use more than 2 percent of the amount received by the State under this section for each fiscal year for surveillance studies or prevalence studies.

''(3) ADMINISTRATION.—A State may not use more than 5 percent of the amount received by the State under this section for each fiscal year for administrative expenses.

''(f) ELIGIBLE ORGANIZATIONS.—The Secretary shall award a grant under subsection (b) of this section to a private nonprofit entity which can—

''(1) demonstrate that it has recognized expertise in the area of sexual assault, a record of high-quality services to victims of sexual assault, including a demonstration of support from advocacy groups, such as State sexual assault coalitions or recognized national sexual assault groups; and

''(2) demonstrate a commitment to the provision of services to underserved populations.

''(g) DEFINITIONS.—In this section—

''(1) the term 'rape prevention and education' includes education and prevention efforts directed at sexual offenses committed by offenders who are not known to the victim as well as offenders who are known to the victim;

''(2) the term 'rape crisis center' means a private nonprofit organization that is organized, or has as one of its primary purposes, to provide services for victims of sexual assault and has a record of commitment and demonstrated experience in providing services to victims of sexual assault;

''(3) the term 'sexual assault' has the meaning given the term in section 2003 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796gg–2); and

''(4) the term 'State sexual assault coalition' means a statewide nonprofit, non-governmental membership organization administering a majority of sexual assault programs within the State that, among other activities, provides training and technical assistance to sexual assault programs within the State.

''(h) TERMS.—

''(1) BASIS OF ALLOTMENTS.—The Secretary shall make allotments to each State on the basis of the population of the State.

''(2) LIMITATION.—No State may use amounts made available by reason of subsection (a) in any fiscal year for administration of any prevention program other than the rape prevention and education program for which allotments are made under this section.

''(3) AVAILABILITY OF FUNDS.—Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available for the next fiscal year to such State for the purposes for which it was made.''.

(b) TECHNICAL AMENDMENTS.—

(1) PUBLIC HEALTH SERVICE.—Section 1910A of the Public Health Service Act (42 U.S.C. 300w–10) is repealed.

(2) VIOLENCE AGAINST WOMEN ACT OF 1994.—Section 40151 of the Violence Against Women Act of 1994 (108 Stat. 1920) is repealed.

SEC. 404. VIOLENCE AGAINST WOMEN PREVENTION EDUCATION AMONG YOUTH.

(a) GRANTS AUTHORIZED.—The Secretary of Health and Human Services, in consultation with the Secretary of Education, shall provide grants to individuals or organizations to carry out educational programs for elementary schools, middle schools, secondary schools, or institutions of higher education with respect to information regarding, and prevention of, domestic violence and violence among intimate partners.

(b) ELIGIBILITY.—To be eligible for a grant under this section, an individual or organization shall work in domestic violence prevention, health or social work, law or law enforcement, schools, or institutions of higher education.

(c) APPLICATIONS.—An individual or organization that desires to receive a grant under this section shall submit to the Secretary of Health and Human Services an application, in such form and manner as the Secretary of Health and Human Services shall prescribe, that—

(1) demonstrates that the educational program is comprehensive, engaging, and appropriate to the target ages, addresses cultural diversity, has the potential to change attitudes and behaviors, is developed based on research and experience in the areas of youth education and domestic violence, collects some form of data on changes in participants' attitudes or behavior, and includes an evaluation component;

(2) in the case of a program for a collegiate audience, demonstrates input from members of the campus community, campus or local law enforcement, education professionals, legal and psychological experts on battering, and victim advocate organizations; and

(3) contains such other information, agreements, and assurances as the Secretary of Health and Human Services may require.

(d) USES OF FUNDS.—

(1) IN GENERAL.—An individual or organization that receives a grant under this section may use the grant funds—

(A) to carry out educational programs for elementary schools, middle schools, secondary schools, or institutions of higher education with respect to information regarding, and prevention of, domestic violence and violence among intimate partners;

(B) to modify the program materials of the model programs implemented under section 317 of the Family Violence Prevention and Services Act (42 U.S.C. 10417), if appropriate, in order to make the materials applicable to a particular age group;

(C) to purchase the materials described in subparagraph (B); or

(D) to establish pilot educational programs described in paragraph (1) for institutions of higher education for the purpose of identifying model programs for such institutions.

(2) LIMITATION.—An individual or organization that receives a grant under this section for a fiscal year shall use not more than 7 percent of the grant funds for administrative expenses.

(e) PUBLICATION.—The Secretary of Health and Human Services shall publish the availability of grants under this section through announcements in professional publications for the individuals or organizations described in subsection (d)(2), and through notice in the Federal Register.

(f) TERM.—A grant under this section may be awarded for a period of not more than 3 fiscal years.

(g) EQUITABLE DISTRIBUTION.—In awarding grants under this section, the Secretary of Health and Human Services shall ensure an equitable geographic distribution to individuals and organizations throughout the United States.

(h) REQUIREMENTS.—In carrying out an educational program under this section, an individual or organization shall—

(1) develop the program, or acquire model program materials if available;

(2) carry out the program with a school's or institution of higher education's involvement; and

(3) report the results of the program to the Secretary of Health and Human Services in a format provided by the Secretary.

(i) EVALUATION AND REPORT.—

(1) COLLEGE LEVEL PROGRAMS.—Not later than December 31, 2000, the Secretary shall evaluate the pilot educational programs for college audiences assisted under subsection (e)(1)(D) with the goal of identifying and describing model programs.

(2) EVALUATION AND REPORT.—Not later than 3 years after the date of enactment of this Act, the Secretary of Health and Human Services shall—

(A) transmit to Congress the design and an evaluation of the model collegiate programs;

(B) report to Congress regarding results of the elementary school, middle school, secondary school, and institution of higher education programs funded under this section; and

(C) suggest changes or improvements to be made in the programs.

(j) REGULATIONS.—Not later than 90 days after the date of enactment of this Act, the

Secretary of Health and Human Services shall publish in the Federal Register proposed regulations implementing this section. Not later than 180 days after the date of enactment of this Act, the Secretary of Health and Human Services shall publish in the Federal Register final regulations implementing this section.

(k) DEFINITIONS.—

(1) ELEMENTARY SCHOOL; SECONDARY SCHOOL.—The terms ''elementary school'' and ''secondary school'' have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(2) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education'' has the meaning given the term in section 1201 of the Higher Education Act of 1965 (20 U.S.C. 1141).

(l) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to carry out this section (other than subsection (d)(1)(D) and subparagraphs (A) and (B) of subsection (i)(2))—

(A) $2,700,000 for fiscal year 2000; and

(B) $2,700,000 for fiscal year 2001.

(2) COLLEGIATE PROGRAMS; REPORT.—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out subsection (d)(1)(D) and subparagraphs (A) and (B) of subsection (i)(2) $400,000 for fiscal year 2001.

(3) AVAILABILITY.—Amounts appropriated under this subsection shall remain available until the earlier of—

(A) the date on which those amounts are expended; or

(B) December 31, 2001.

SEC. 405. EDUCATION AND TRAINING TO END VIOLENCE AGAINST AND ABUSE OF WOMEN WITH DISABILITIES.

(a) IN GENERAL.—The Attorney General shall make grants to States and nongovernmental private entities to provide education and technical assistance for the purpose of providing training, consultation, and information on violence, abuse, and sexual assault against women who are individuals with disabilities (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).

(b) PRIORITIES.—In making grants under this section, the Attorney General shall give priority to applications designed to provide education and technical assistance on—

(1) the nature, definition, and characteristics of violence, abuse, and sexual assault experienced by women who are individuals with disabilities;

(2) outreach activities to ensure that women who are individuals with disabilities who are victims of violence, abuse, and sexual assault receive appropriate assistance;

(3) the requirements of shelters and victim services organizations under Federal antidiscrimination laws, including the Americans with Disabilities Act of 1990 and section 504 of the Rehabilitation Act of 1973; and

(4) cost-effective ways that shelters and victim services may accommodate the needs of individuals with disabilities in accordance with the Americans with Disabilities Act of 1990.

(c) USES OF GRANTS.—Each recipient of a grant under this section shall provide information and training to organizations and programs that provide services to individuals with disabilities, including independent living centers, disability-related service organizations, and domestic violence programs providing shelter or related assistance.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section—

(1) $4,000,000 for fiscal year 2000;

(2) $5,000,000 for fiscal year 2001; and

(3) $6,000,000 for fiscal year 2002.

SEC. 406. COMMUNITY INITIATIVES.

Section 318 of the Family Violence Prevention and Services Act (42 U.S.C. 10418) is amended—

(1) in subsection (b)(2)—

(A) in subparagraph (G), by striking ''and'' at the end;

(B) by redesignating subparagraph (H) as subparagraph (I); and

(C) by inserting after subparagraph (G) the following:

''(H) groups that provide services to or advocacy on behalf of individuals with disabilities (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)); and''; and

(2) by striking subsection (h) and inserting the following:

''(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section—

''(1) $5,000,000 for fiscal year 2000;

''(2) $6,000,000 for fiscal year 2001; and

''(3) $7,000,000 for fiscal year 2002.''.

SEC. 407. NATIONAL COMMISSION ON STANDARDS OF PRACTICE AND TRAINING FOR SEXUAL ASSAULT EXAMINATIONS.

(a) IN GENERAL.—The Attorney General shall establish a multidisciplinary, multiagency national commission, which shall—

(1) evaluate standards of training and practice for licensed health care professionals performing sexual assault forensic examinations and develop a national recommended standard for training;

(2) recommend minimum sexual assault forensic examination training for all health care students to improve the recognition of injuries suggestive of rape and sexual assault and baseline knowledge of appropriate referrals in victim treatment and evidence collection;

(3) review national, State, and local protocols on sexual assault for forensic examinations, and based on the review, develop a recommended national protocol, and establish a mechanism for nationwide dissemination; and

(4) study and evaluate State procedures for payment of forensic examinations for victims of sexual assault and establish a recommended Federal protocol for the payment of forensic examinations.

(b) MEMBERSHIP.—The members of the national commission established under this section shall be appointed by the Attorney General from among individuals who are experts in the prevention and treatment of rape and sexual assault, including—

(1) individuals employed in the fields of victim services, criminal justice, forensic nursing, forensic science, emergency room medicine, law, and social services; and

(2) individuals who are experts in the prevention and treatment of sex crimes in ethnic, social, and language minority communities, as well as rural, disabled, and other underserved communities.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Attorney General shall submit a report to Congress on the findings of the commission established under subsection (a).

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section $200,000 for fiscal year 2000.

SEC. 408. NATIONAL WORKPLACE CLEARINGHOUSE ON VIOLENCE AGAINST WOMEN.

(a) AUTHORITY.—The Attorney General may make a grant in accordance with this section to a private, nonprofit entity that meets the requirements of subsection (b) to establish and operate a national clearinghouse and resource center to provide information and assistance to employers and labor organizations on appropriate workplace responses to domestic violence and sexual assault.

(b) GRANTEES.—Each applicant for a grant under this section shall submit to the Attorney General an application, which shall—

(1) demonstrate that the applicant—

(A) has a nationally recognized expertise in the area of domestic violence and sexual assault and a record of commitment and quality responses to reduce domestic violence and sexual assault; and

(B) will provide matching funds from non-Federal sources in an amount equal to not less than 10 percent of the total amount of the grant under this section; and

(2) include a plan to conduct outreach to encourage employers (including small and large businesses, as well as public entities such as universities, and State and local governments) to develop and implement appropriate responses to assist employees who are victims of domestic violence or sexual assault.

(c) USE OF GRANT AMOUNT.—A grant under this section may be used for salaries, travel expenses, equipment, printing, and other reasonable expenses necessary to assemble, maintain, and disseminate to employers and labor organizations information on appropriate responses to domestic violence and sexual assault, including costs associated with such activities as—

(1) developing and disseminating model protocols and workplace policies;

(2) developing and disseminating models for employer and union sponsored victims' services;

(3) developing and disseminating training videos and model curricula to promote better understandings of workplace issues surrounding domestic violence; and

(4) planning and conducting conferences and other educational opportunities.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) to carry out this section $1,000,000 for each of fiscal years 2000 through 2002.

SEC. 409. STRENGTHENING RESEARCH TO COMBAT VIOLENCE AGAINST WOMEN.

Chapter 9 of subtitle B of the Violence Against Women Act of 1994 (42 U.S.C. 13961 et seq.) is amended by adding at the end the following:

''SEC. 40294. RESEARCH TO COMBAT VIOLENCE AGAINST WOMEN.

''(a) EDUCATION, PREVENTION, AND INTERVENTION RESEARCH GRANTS.—

''(1) PURPOSES.—The Secretary of Health and Human Services and the Attorney General shall make grants to entities, including domestic violence and sexual assault organizations, research organizations, and academic institutions, to support research and evaluation of education, prevention, and intervention programs on violent behavior against women.

''(2) USE OF FUNDS.—The research conducted under this section shall include—

''(A) longitudinal research to study the developmental trajectory of violent behavior

against women and the manner in which that violence differs from other violent behaviors;

''(B) the examination of risk factors for sexual and intimate partner violence for victims and perpetrators, such as poverty, childhood victimization and other traumas;

''(C) the examination of short- and long-term efforts of programs designed to prevent sexual and intimate partner violence;

''(D) outcome evaluations of interventions and school curriculum targeted at children and teenagers;

''(E) the examination and documentation of the processes and informal strategies women experience in attempting to manage and stop the violence in their lives; and

''(F) the development, testing, and evaluation of the economic and health benefits of effective methods of domestic violence screening and prevention programs at all points of entry into the health care system, including mental health, emergency medicine, obstetrics, gynecology, and primary care, and an assessment of the costs of domestic violence to the health care system.

''(b) ADDRESSING GAPS IN RESEARCH.—

''(1) PURPOSES.—The Secretary of Health and Human Services and the Attorney General shall make grants to domestic violence and sexual assault organizations, research organizations, and academic institutions in order to address gaps in research and knowledge about violence against women, including violence against women in underserved communities.

''(2) USES OF FUNDS.—The research conducted with grants made under this subsection shall include—

''(A) the development of national- and community-level survey studies to measure the incidence and prevalence of violence against women in underserved populations and the terms women use to describe their experiences of violence;

''(B) qualitative and quantitative research to understand the manner in which factors that shape the context and experience of violence in women's lives, as well as the education, prevention, and intervention strategies available to women (including minors);

''(C) a study of violence against women as a risk factor for diseases from a multivariate perspective;

''(D) an examination of the prevalence and dynamics of emotional and psychological abuse, the effects on women of such abuse, and the education, prevention, and intervention strategies that are available to address this type of abuse;

''(E) an examination of the need for and availability of legal assistance and services for victims of sexual assault; and

''(F) the use of nonjudicial alternative dispute resolution (such as mediation, negotiation, conciliation, and restorative justice models) in cases in which domestic violence is a factor, comparing nonjudicial alternative dispute resolution and traditional judicial methods based upon the quality of representation of the victim, the training of mediators or other facilitators, the satisfaction of the parties, the outcome of the proceedings, and such other factors as may be identified; and

''(G) an examination of effective models to address domestic violence in child protective services and child welfare agencies, including—

''(i) documenting the scope of the problem;

''(ii) identifying the risk of harm perpetrators of domestic violence pose to children and to parents who are victims of domestic violence; and

''(iii) examining effective models to address domestic violence in the context of child welfare and child protection that protect children while protecting parents who are victims of domestic violence.

''(c) SENTENCING COMMISSION STUDY.—Not later than 1 year after the date of enactment of this section, the United States Sentencing Commission shall submit to Congress a report on—

''(1) sentences given to offenders incarcerated in Federal and State prisons for homicides or assaults in which the victim was a spouse, former spouse, or intimate partner of the offender;

''(2) the effect of illicit drugs and alcohol on domestic violence and the sentences imposed for offenses involving illicit drugs and alcohol in which domestic violence occurred;

''(3) the extent to which acts of domestic violence committed against the offender, including coercion, may have contributed to the commission of an offense;

''(4) an analysis delineated by race, gender, type of offense, and any other categories that would be useful for understanding the problem of domestic violence; and

''(5) recommendations with respect to the offenses described in this subsection, including any basis for a downward adjustment in any applicable Federal sentencing guidelines determination.

''(d) RESEARCH ON PREGNANCY AND SEXUAL ASSAULT.—

''(1) PURPOSES.—The Secretary of Health and Human Services and the Attorney General shall make grants to nonprofit entities, including sexual assault organizations, research organizations, and academic institutions, in order to gather qualitative and quantitative data on the experiences of minors and adults who become pregnant as a result of sexual assault within State health care, judicial, and social services systems.

''(2) USE OF AMOUNTS.—The research conducted with grants made under this subsection shall include—

''(A) the incidence and prevalence of pregnancy resulting from sexual assault, including the ages of the victim and perpetrator, and any relationship between the perpetrator and the victim (such as family, acquaintance, intimate partner, spouse, household member, etc.);

''(B) the degree to which State adoption, child custody, visitation, child support, parental termination, and child welfare criminal justice laws and policies serve the needs of women (including minors) who become pregnant as a result of sexual assault;

''(C) the impact of State social services rules, policies, and procedures on women (including minors) who become pregnant as a result of sexual assault and on those children born as a result of the sexual assault;

''(D) the availability of public and private legal, medical, and mental health counseling, financial, and other forms of assistance to women (including minors) who become pregnant as a result of sexual assault, and to the children born as a result of the sexual assault, including the extent to which barriers exist in accessing that assistance; and

''(E) recommendations for improvements in State health care, judicial, and social services systems to address the needs of women (including minors) who become pregnant as a result of sexual assault and of the children born as a result of the sexual assault.

''(e) STATUS REPORT ON LAWS REGARDING RAPE AND SEXUAL ASSAULT OFFENSES.—

''(1) STUDY.—The Attorney General, in consultation with national, State, and local domestic violence and sexual assault coalitions and programs, including, nationally recognized experts on sexual assault, such as from the judiciary, the legal profession, psychological associations, and sex offender treatment providers, shall conduct a national study to examine the status of the law with respect to rape and sexual assault offenses and the effectiveness of the implementation of laws in addressing such crimes and protecting their victims. In carrying out this subsection, the Attorney General may utilize the Bureau of Justice Statistics, the National Institute of Justice, and the Office for Victims of Crime, or any other appropriate component of the Department of Justice.

''(2) REPORT.—Not later than 1 year after the date of enactment of this section, the Attorney General shall submit to Congress a report on the findings of the study under paragraph (1), which shall include—

''(A) an analysis of the degree of uniformity among the States with respect to rape and sexual assault laws (including sex offenses committed against children), including the degree of uniformity among States with respect to—

''(i) definitions of rape and sexual assault, including any marital rape exception and any other exception or downgrading of offense;

''(ii) the element of consent and coercive conduct, including deceit;

''(iii) the element of physical resistance and affirmative nonconsent as a precondition for conviction;

''(iv) the element of force, including penetration requirement as aggravating factor and use of coercion;

''(v) evidentiary matters—

''(I) inferences—timeliness of complaint under the Model Penal Code;

''(II) post traumatic stress disorder (including rape trauma syndrome) relevancy of scope and admissibility;

''(III) rape shield laws—in camera evidentiary determinations;

''(IV) prior bad acts; and

''(V) corroboration requirement and cautionary jury instructions;

''(vi) the existence of special rules for rape and sexual assault offenses;

''(vii) the use of experts;

''(viii) sentencing—

''(I) plea bargains;

''(II) presentence reports;

''(III) recidivism and remorse;

''(IV) adolescents;

''(V) psychological injuries;

''(VI) gravity of crime and trauma to victim; and

''(VII) race; and

''(ix) any personal or professional relationship between the perpetrator and the victim; and

''(B) any recommendations of the Attorney General for reforms to foster uniformity among the States in addressing rape and sexual assault offenses in order to protect victims more effectively while safeguarding the due process rights of the accused.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated from the Violent Crime Reduction Trust Fund established under section 310001 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211)—

''(1) to carry out subsection (a), $3,000,000 for each of fiscal years 2000 and 2001;

''(2) to carry out subsection (b), $2,100,000 for each of fiscal years 2000 and 2001;

''(3) to carry out subsection (c), $200,000 for fiscal year 2000;

''(4) to carry out subsection (d), $500,000 for fiscal year 2000; and

''(5) to carry out subsection (e), $200,000 for fiscal year 2000.''.

TITLE V—EXTENSION OF VIOLENT CRIME REDUCTION TRUST FUND

SEC. 501. EXTENSION.

(a) IN GENERAL.—Section 310001(b) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211(b)) is amended—

(1) in paragraph (5), by striking ''and'' at the end;

(2) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(7) for fiscal year 2001, $4,400,000,000; and

''(8) for fiscal year 2002, $4,500,000,000.''.

(b) CONFORMING DISCRETIONARY SPENDING CAP REDUCTION.—Upon enactment of this Act, the discretionary spending limits for fiscal years 2001 and 2002 set forth in section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(c)) are reduced as follows:

(1) For fiscal year 2001, $4,400,000,000 in new budget authority and $5,981,000,000 in outlays.

(2) For fiscal year 2002, $4,500,000,000 in new budget authority and $4,530,000,000 in outlays.

By Mr. BOND (for himself, Mr. ASHCROFT, Mr. SANTORUM, Mr. BURNS, Mr. SHELBY, Mr. INHOFE, and Mr. BROWNBACK):

S. 52. A bill to provide a direct check for education; to the Committee on Health, Education, Labor, and Pensions.

DIRECT CHECK FOR EDUCATION ACT

Mr. BOND. Mr. President, as we start this 106th Congress, I think it is clear that education is going to be one of the top priorities we will address in this session of Congress. We are going to be working on the reauthorization of the Elementary and Secondary Education Act, and I believe all of us, on both sides, are saying that this is a national priority.

As my colleague from Massachusetts, Senator JOHN KERRY, said in a speech that he made at Northeastern University, ''Ever since there has been a United States of America, there have been public schools. And there has been a constant debate about how to make them work.'' I know that since I was elected to the United States Senate 12 years ago I have listened and participated in the many debates on public education that have occurred in this institution. I have even had some ideas of my own on how to improve education—some of which have been passed by this body and signed into law.

My intentions, like those of my Senate colleagues—have been good intentions. We all share the same goal of providing our children with a great education. We have been trying to do the right thing.

Today, however, our good intentions have mushroomed into burdensome regulations, unfunded mandates, and unwanted meddling. Parents, teachers, and local school officials have less and less control over what happens in the classroom. Instead of empowering parents, teachers, and local school officials we have empowered the federal government and bureaucrats. We have slowly eroded the opportunity for creativity and innovation on the local level and have once again established a system where supposedly the Olympians on the hill know what is best for the peasants in the valley.

Mr. President, let me give you some examples of what our good intentions have gotten us.

We have 760 education programs scattered throughout 39 different federal agencies. Vice President GORE's National Performance Review said that the Department of Education's discretionary grant process lasts 26 weeks and takes 487 steps from start to finish. The General Accounting Office has estimated that there are nearly 13,400 full-time jobs in the 50 states funded by the Department of Education with an additional 4,600 direct Department of Education employees.

We have teachers being taken off the task of teaching, preparing lesson plans, taking on after school student activities, etc. and instead are researching for grant opportunities, reading regulations, preparing applications, filling out paperwork requirements, complying with cumbersome rules, and reporting on how they spend the federal money received. Or we have teachers and administrators deciding that the extra federal money is not worth the time and effort that it will take to get and comply with that they do not even bother to go through the process.

Most of us are now aware of the Third International Mathematics and Science Study, released last year by the National Center for Education Statistics, that ranked American senior high school students 19th out of 21 industrialized nations in math, and 16th out of the same 21 countries in science. In addition, 40 percent of our Nation's fourth graders do not read at even a basic level. Colleges across this country are spending over $1 billion a year in remedial education.

Is this acceptable? Are we satisfied with the status quo? The answer should be—must be—an unequivocal NO.

In our business we pay a lot of attention to polls. For several years, the polls across the country have been telling us that we have a problem with public education. This is not new news and the question remains the same: How do we fix public education?

Mr. President, before I provide my answer to that question I want to take this opportunity to read from an editorial from a home-state newspaper, the Southeast Missourian.

Nearly a decade ago, then-President Bush and the nation's governors set a series of goals for America's schoolchildren in reading, math, graduation rates and other measures. But the national education goals panel says the nation's public schools will fall short of the goals for 2000.

We can only hope these continued failures to improve education will result in a overthrow of the so-called experts. These are the people, usually far removed from the classroom, who embrace quick fixes and fads in the face of each hand-wringing report.

Unfortunately, the fixes make the problems worse. What's needed is to return America's schools back to the basics and back to local teachers, administrators, school boards, and parents. Without a foundation in the basics, the rest of education just won't take.

We must take so-called remedies out of the hands of the federal government. National mandates are meaningless for America's schools. The problem must be addressed one district and one school at a time. Why not let classroom teachers—instead of bureaucrats and politicians—fashion a plan to improve learning in the classroom? Give more control to the local districts in building reading retention, math skills and graduation rates?

Mr. President, the editorial goes on, but it ends with the following:

The answer to fixing America's educational woes rests with individual school boards and passionate educators. The bureaucrats must reduce the red tape and mandates that are strangling our schools. Give those who know best the time, talent and incentives to finally fix public education.

I agree with the Southeast Missourian. The answer to improving public education does not lie within the halls of Congress or in the granite buildings of the downtown Washington education establishment. As the editorial stated, we are ''far removed from the classroom.''

In my opinion, the real solutions—the laboratories—are local schools when they are given the opportunity to excel and not play the ''Mother, May I?'' game with Washington.

Here in Congress we must not be afraid to propose change. But in proposing change we must go directly to those who can provide some answers—the teachers, principals, school administrators, school board members, and parents.

For the past couple of years, I have done just that and have developed in conjunction with them the ''Direct Check for Education Act.

Quite simply, the purpose of this bill is to consolidate six, primarily competitive grant programs of the Department of Education's programs. The programs are Goals 2000, School-to-Work, Education Technology, Innovative Education Program Strategies, Fund for the Improvement of Education, and the President's 100,000 teachers program. The bill then proposes to return the federal funding by issuing a ''Direct Check'' to the local school district based on the number of students in each district. The result would be a resource of flexible funding that would allow individual schools and parents to determine how best to use the funds, including the hiring of new teachers, additional classrooms, new textbooks, expanded technology initiatives, drug and alcohol prevention programs, etc. The list goes on and on.

My ''Direct Check'' proposal is not the ''save-all'' answer. But the ''Direct Check'' will reduce the costly and time-consuming paperwork process that local school districts endure in obtaining federal grants and funding. It will treat children and schools the same by awarding funding to schools based upon the students served instead of rewarding some and penalizing others. My ''Direct Check for Education'' is a first step in simplifying and going ''back to the basics'' of education.

Mr. President, there will be those in the Washington education establishment who will oppose this bill. Instead

of finding ways to empower those at the local level the opposition will argue that we need even more federal programs, more bureaucracy, more micro management of the classroom.

I believe the bottom line is this: Education, while a national priority, is a local responsibility. We must empower parents, teachers, school administrators, school boards, etc. because education decisions can best be made by people at the local schools who know the names and the challenges facing the students in those schools.

Let's keep things simple. Let's take off the Federal stranglehold and let local school districts do their jobs. Let's educate our children for a lifetime of achievement.

We have burdened it with excessive regulations and red tape. We have once again established a system where supposedly the ''olympians'' on the Hill know what is best for the ''peasants'' in the valley.

I agree with my colleagues on both sides of the aisle: Education is and must be a national priority. But the good intentions that we have had in this body have led to the creation of more than 760 Federal education programs. Has that made education better? I don't think so. We added three more last year. And now we gather that the President is going to come up with a grand new Federal scheme. How many people really believe that the 764th Federal education program is going to assure that our kids can read? Is it going to assure that we get our high school students out of the 19th place out of 21 in terms of mathematics? I don't believe so.

Our system is not working. If you want to know how well it is working, go back home. Ask the teachers in your local school district. Ask the principals in your local school district. Ask the parents at home. Ask the school board members. If you do that, I believe you will hear what I have heard, time and time again: They are tired of playing ''Mother, May I?'' with the Federal Government. They are tired of spending the time to fill out the forms for the grants, to comply and jump through the hoops that the Federal Government sets out for them, to write the reports and fill out the evaluation forms that are needed, only to have a competitive grant program run out at the end of 3 years. They are tired of playing ''Mother, May I?'' with the Federal Government.

We have an opportunity to do something that I think is very significant. Instead of going down the road that is going to be proposed of another new Federal program, we ought to take the remedies out of the hands of the Federal Government. National mandates are meaningless for American schools. The problems must be addressed one school district, one school, at a time. Why not let classroom teachers, the parents, the administrators—instead of bureaucrats and politicians—make the decisions on how to improve the education in their school districts? Give more control back to local districts and let them build reading retention, math skills, and improve graduation rates.

Mr. President, I am today introducing a bill we call the direct check for education bill. It takes six of the major Federal competitive grant programs—Goals 2000, School-to-Work, Education Technology, Innovative Education Program Strategies, the Fund for the Improvement of Education, and the President's 100,000 teachers program—and puts them into a pool. That pool is to be divided on the basis of the students—K through 12—on average daily attendance. And it is to be returned to those local school districts on the basis of the number of students they have. Very simple. Cut the Federal red tape. Let them use those education dollars.

It starts off with a $3.5-million authorization, because we want to allow schools that already have competitive grants of multiyear tenure to complete those grants. At the end it will rise to $5 billion. It should come out to about $100 per student in every school—and turn the job back to the local schools, the parents, the teachers, the school board members, the administrators.

There are those who oppose this approach. They argue that we need even more Federal control. But as I said at the beginning, while it is a national priority, education must be returned to the local school districts as a local responsibility, to empower the people who know the names of the kids, their problems, their challenges, and their opportunities, to make the decision.

Let's keep things simple. Let's take off the Federal stranglehold. Let's let local schools do their jobs. Let's educate our children for a lifetime of achievement. Ask your teachers, your principals, your superintendents, your school board members; and then I ask my colleagues to join me in cosponsoring this legislation that Senator ASHCROFT and I are introducing today.

Mr. President, I ask unanimous consent that the text of the bill and common questions about the direct check for education bill be printed in the RECORD.

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

S. 52

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 ''Direct Check for Education Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) education should be a national priority but must remain a local responsibility;

(2) the Federal Government's regulations and involvement often creates barriers and obstacles to local creativity and reform;

(3) parents, teachers, and local school districts must be allowed and empowered to set local education priorities; and

(4) schools and education professionals must be accountable to the people and children served.

SEC. 3. DEFINITIONS.

In this Act:

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

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Education.

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

SEC. 4. DIRECT AWARDS TO LOCAL EDUCATIONAL AGENCIES.

(a) DIRECT AWARDS.—From amounts appropriated under subsection (b) and not used to carry out subsection (c), the Secretary shall make direct awards to local educational agencies in amounts determined under subsection (e) to enable the local educational agencies to support programs or activities, for kindergarten through grade 12 students, that the local educational agencies deem appropriate.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this Act $3,500,000,000 for each of the fiscal years 2000 and 2001, $4,000,000,000 for each of the fiscal years 2002 and 2003, and $5,000,000,000 for fiscal year 2004.

(c) MULTIYEAR AWARDS.—The Secretary shall use funds appropriated under subsection (b) for each fiscal year to continue to make payments to eligible recipients pursuant to any multiyear award made prior to the date of enactment of this Act under the provisions of law repealed under subsection (d). The payments shall be made for the duration of the multiyear award.

(d) REPEALS.—The following provisions of law are repealed:

(1) The Goals 2000: Educate America Act (20 U.S.C. 5801 et seq.).

(2) Section 307 of the Department of Education Appropriations Act, 1999.

(3) Title III of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6801 et seq.).

(4) Part B of title VI of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7331 et seq.).

(5) Part A of title X of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8001 et seq.).

(6) The School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

(e) DETERMINATION OF AMOUNT.—

(1) PER CHILD AMOUNT.—The Secretary, using the information provided under subsection (f), shall determine a per child amount for a year by dividing the total amount appropriated under subsection (b) for the year, by the average daily attendance of kindergarten through grade 12 students in all States for the preceding year.

(2) LOCAL EDUCATIONAL AGENCY AWARD.—The Secretary, using the information provided under subsection (f), shall determine the amount provided to each local educational agency under this section for a year by multiplying—

(A) the per child amount determined under paragraph (1) for the year; by

(B) the average daily attendance of kindergarten through grade 12 students that are served by the local educational agency for the preceding year.

(f) CENSUS DETERMINATION.—

(1) IN GENERAL.—Each local educational agency shall conduct a census to determine the average daily attendance of kindergarten through grade 12 students served by the local

educational agency not later than December 1 of each year.

(2) SUBMISSION.—Each local educational agency shall submit the number described in paragraph (1) to the Secretary not later than March 1 of each year.

(g) PENALTY.—If the Secretary determines that a local educational agency has knowingly submitted false information under subsection (f) for the purpose of gaining additional funds under this section, then the local educational agency shall be fined an amount equal to twice the difference between the amount the local educational agency received under this section, and the correct amount the local educational agency would have received under this section if the agency had submitted accurate information under subsection (f).

(h) DISBURSAL.—The Secretary shall disburse the amount awarded to a local educational agency under this Act for a fiscal year not later than July 1 of each year.

SEC. 5. AUDIT.

(a) IN GENERAL.—The Secretary may conduct audits of the expenditures of local educational agencies under this Act to ensure that the funds made available under this Act are used in accordance with this Act.

(b) SANCTIONS AND PENALTIES.—If the Secretary determines that the funds made available under section 4 were not used in accordance with section 4(a), the Secretary may use the enforcement provisions available to the Secretary under part D of the General Education Provisions Act (20 U.S.C. 1234 et seq.).

COMMON QUESTIONS ABOUT THE DIRECT CHECK FOR EDUCATION

What programs make up the new Direct Check for Education?

Goals 2000; School-to-Work; Education Technology (Title III); Innovative Education Program Strategies (Part B, Title VI); Fund for the Improvement of Education (Part A, Title X); 100,000 Teachers.

What is the level of funding for the Direct Check for Education?

Based on fiscal year 1999 appropriations first year funding could be more than $3.5 billion. Over 5 years the ''Direct Check'' total could provide over $20 billion in direct checks to local schools.

How can the Direct Check funds by spent?

The local school district, with parents, teachers, administrators, etc., would have the flexibility to spend the funds on what they determine to be the priorities—new teachers, new classrooms, textbooks, computers, drug prevention programs, etc.

Does the Direct Check for Education impact Title I funding for disadvantaged students?

The bill does not make any changes to Title I.

How are private schools affected by the Direct Check for Education?

The bill makes no changes affecting private schools.

How will States and the federal government be sure the funds are properly spent?

The Department of Education will have post-audit review authority and would retain the same sanctions and penalties currently in place.

What will determine the Direct Check amount for a local school?

The total amount for funds provided divided by the number of students nationally will give you a per student average. That average multiplied by the number of students in a local school will give that school the amount of its ''Direct Check''.

Mr. ASHCROFT. Mr. President, I rise today to commend the Senior Senator from Missouri for his introduction of the ''Direct Check for Education'' bill. It is with great pleasure that I add my name as a cosponsor of this important legislation, which will improve the educational opportunities for our nation's school children by sending federal resources directly to local school districts to use in the way they know will benefit students most effectively.

Mr. President, when we talk about education, we should start by asking: ''What do our parents want for their children? We know that parents want their children to get a first-class education that boosts student achievement and elevates them to excellence. Parents want schools that are safe, classes that are small, and principals and teachers to have authority to make the right decisions in all areas of learning, school discipline and after-school activities. Parents want teachers who care for students and know the subjects they teach. Parents do not want Washington in control of classrooms.

The next question we should ask is: How can we attain what parents want? How can our children achieve academic excellence? The House Committee on Education and the Workforce Subcommittee on Oversight and Investigations answered this question in a report released in July of 1998, called ''Education at a Crossroads: What Works and What's Wasted in Education Today.'' The Subcommittee found that successful schools and school systems were not the product of federal funding and directives, but instead were characterized by: parental involvement in the education of their children, local control, emphasis on basic academics, and dollars spent in the classroom, not on distant bureaucracy and ineffective programs. These are the ingredients we must have to elevate educational performance.

Knowing the ingredients of educational success for our children, we must next ask whether our current federal education programs contain these ingredients.

First, we should observe that in a sense, the federal government has played conflicting roles in education, providing resources with one hand, while creating obstacles with the other. We have spent over $12 billion on major education programs in the last two years, and this year, we are slated to spend nearly $15 billion. Yet, if current trends continue, only about 65% of federal education dollars will be spent this year on educating our children, due to the excessive bureaucracy in our federal programs.

And we should remember that federal funding accounts for only about 7% of the total amount spent on education, while the lion's share comes from state and local taxes. However, that 7% of the funding pie consumes a disproportionate share of the time states and local school districts need to administer education programs. Unfortunately, most federal education programs often do not contain the basic ingredients for educational success, but rather contain components that can actually stifle the ingredients for success.

In the last 35 years, the federal government has continued to take away parental involvement, local control, flexibility, and teacher and community input by spinning a complex web of federal elementary and secondary education programs, each of which contain their own set of rules that consume the time and resources of states and school districts.

A 1990 study found that 52% of the paperwork required of an Ohio school district was related to participation in federal programs, while federal dollars provided less than 5% of total education funding in Ohio. In Florida, 374 employees administer $8 billion in state funds. However, 297 state employees are needed to oversee only $1 billion in federal funds—six times as many per dollar. The Federal Department of Education requires over 48.6 million hours worth of paperwork to receive federal dollars. This bureaucratic maze takes up to 35% of every federal education dollar.

Many federal programs have taken away precious dollars and teacher time. Rather than being able to spend time on classroom preparation, teachers instead have to spend hours filling out federal forms to comply with federal rules.

Another problem with a number of our federal education programs is that many of our children and school districts never get to see the federal tax dollars that their parents pay for education. This is because a great deal of federal educational funding is awarded on a competitive basis. In essence, local schools must come to Washington and beg for the money taxpayers sent to the federal treasury. As a result, smaller and poorer schools, who don't have the time and money to wade through thick grant applications or hire a grant writer, cannot share in the money their parents sent to the federal government.

To make matters worse, once a school district is successful in obtaining a competitive grant after a harrowing application process, it must spend countless hours and resources complying with the leviathan of regulations and rules attached to the grant.

Competitive funding, along with the vast number of federal education programs, has led to a cottage industry in selling information on education program descriptions, filing instructions, and application deadlines for each of these programs. The ''Education at a Crossroads'' report I mentioned earlier describes this cottage industry:

''The Education Funding Research Council identifies potential sources of funds for local school districts, and sells for nearly $400 the Guide to Federal Funding for Education. The company promises to steer its subscribers to

''a wide range of Federal programs,'' and offers these subscribers timely updates on ''500 education programs.'' More recently, the Aid for Education Report published by CD Publications advertised that ''huge sums are available. . .in the federal government alone, there are nearly 800 different education programs that receive authorization totaling almost a hundred billion dollars.''

It's a shame that a school district has to pay $400 for a catalog to learn how to get back the money that its community has sent to Washington to educate its children. But sadly, this is often the case.

A third problem we can identify with many current federal education programs is that federal dollars are often earmarked for one particular use, and cannot be used for any other purpose. This inflexible funding hurts schools that have other needs than the ones prescribed by the federal government. A recent example of this is the $1.2 billion earmarked last year for classroom size reduction. While more teachers and class size reduction are noble endeavors, some schools don't need more teachers, but instead need more computers. However, the only use of this $1.2 billion can be for hiring more teachers. Such a policy flies in the face of one ingredient for educational success, local control.

So, we know we have created a lot of federal education programs and we have dedicated a great deal of resources for these programs. What results are we getting? The National Center for Education Statistics' NAEP 1994 Reading Report Card for the Nation and the States reveals that 40 percent of fourth graders do not read at a basic level. The same report also indicates that half of the students from urban school districts fail to graduate on time, if at all. And the NAEP Report Card also shows that United States 12th graders only outperformed two out of 21 nations in mathematics. The Brookings Institution released a study in April of 1998 indicating that public institutions of higher education have to spend $1 billion each year on remedial education for students.

Knowing these disastrous results, we cannot afford to keep spending our federal education dollars in the same way we have been doing for years if it's not stimulating academic success. Parents, teachers, school boards, and members of our community won't stand for this kind of failure. They want and need opportunities to be more involved in deciding how to spend the federal education dollar, because they know what works. We must spend our federal resources for elementary and secondary education in ways that embrace the ingredients of success.

Rather than fund the patchwork of federal elementary and secondary education programs that Washington wants, Congress should send that money directly to local school districts. Parents and teachers need the financing, flexibility and freedom to fund programs they know will improve their children's education.

Senator BOND's ''Direct Check for Education'' proposal does just this. He takes some of the Department of Education's largest competitive grant programs and returns the money in the form of a ''direct check'' to the local school districts based on the number of students in each district. Schools may use the funds in ways they believe will be most effective in elevating student achievement.

Under the ''Direct Check'' proposal, no longer would school districts have to come to Washington and beg for the money they sent to Washington to educate their children. No longer would teachers and administrators have to spend countless and wasted hours filling out federal grant application and compliance forms. No longer would schools be forced to earmark federal dollars for programs that have no relevance to their students' needs. Rather, school districts with the input of teachers, school boards, administrators, and of course, parents, would have the authority and flexibility to use federal dollars for what they best see fit.

For example, local schools could deploy resources to hire new teachers, raise teacher salaries, buy new textbooks or new computers—whatever the schools deem most important to the educational success of their students. The Direct Check to Education proposals gives schools more time, flexibility, and money to spend on what's most important: providing classroom instruction to our nation's children.

With the flexible, equitable distribution of federal funding under Senator BOND's proposal comes accountability. Local school districts will be penalized for knowingly submitting false information regarding the number of students in their districts. Moreover, the Secretary of Education may audit local educational agency expenditures to ensure that funds are used in accordance with the Direct Check in Education Act. And most importantly, parents, school boards, and members of the community will be able to give direct input into funding decisions, since those decisions will be made right in the community, rather than hundreds, and sometimes thousands, of miles away in Washington, D.C. Local decision making allows for local accountability.

Mr. President, we have learned from experience that our many of our current federal education programs and dollars are not producing what we expect for our students. We know that successful education programs occur when crucial decisions are made by local communities, teachers, school boards, and parents. This is why I support Senator BOND's ''Direct Check for Education'' proposal. His plan embraces the ingredients of educational success, as it gives parents, teachers and school boards the authority and flexibility to direct funds to programs they know work for their children.

As I said earlier, Senator BOND's proposal consolidates a number of the Department of Education's federal programs for elementary and secondary education. I believe we should explore whether other federal education programs—both within and outside the Department of Education—should also be taken and put into a ''direct check'' to our local school districts. We must continue to look for ways to direct our federal resources in ways that reflect the ingredients of success and educational excellence for our children.

By Mr. KYL (for himself and Mr. COVERDELL):

S. 53. A bill to amend the Internal Revenue Code of 1986 to provide a reduction in the capital gain rates for all taxpayers and a partial dividend income exclusion for individuals, and for other purposes; to the Committee on Finance.

CAPITOL GAINS AND DIVIDEND INCOME REFORM ACT

By Mr. KYL:

S. 54. A bill to amend the Internal Revenue Code of 1986 to repeal the corporate alternative minimum tax; to the Committee on Finance.

CORPORATE TAX EQUITY ACT

By Mr. KYL (for himself and Mr. COVERDELL):

S. 55. A bill to amend the Internal Revenue Code of 1986 to limit the tax rate for certain small businesses, and for other purposes; to the Committee on Finance.

SMALL BUSINESS INVESTMENT AND GROWTH ACT

By Mr. KYL (for himself, Mr. ALLARD, Mr. ASHCROFT, Mr. BURNS, Mr. COCHRAN, Mr. COVERDELL, Mr. CRAPO, Mr. ENZI, Mr. GRAMM, Mr. GRAMS, Mr. HAGEL, Mr. HELMS, Mrs. HUTCHISON, Mr. INHOFE, Mr. MACK, Mr. MURKOWSKI, Mr. ROBERTS, Mr. SMITH of New Hampshire, Mr. THOMAS, and Mr. SESSIONS):

FAMILY HERITAGE PRESERVATION ACT

S. 56. A bill to repeal the Federal estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Finance.

Mr. KYL. Mr. President, today I introduce a series of bills designed to help sustain the economic expansion and enhance the rate of economic growth in this country. The four measures, which together make up what I refer to as the Agenda for Economic Growth and Opportunity, will help encourage investment in small businesses, enhance the wages of American workers, and make our country more competitive in the global economy.

Mr. President, it was just over 36 years ago that President John F. Kennedy made the following observation in his State of the Union message—an observation that someone could just as easily make about today's economy. He said, ''America has enjoyed 22 months of uninterrupted economic recovery.''

The current expansion, albeit weaker than most during this century, has gone on somewhat longer. ''But,'' President Kennedy went on to say, ''recovery is not enough. If we are to prevail in the long run, we must expand the long-run strength of our economy. We must move along the path to a higher rate of economic growth.''

Economic growth. The concept is studied endlessly by economists and statisticians, but what does it mean for the average American family, and why should policy-makers be so concerned about it?

For most of the 20th century, our nation enjoyed very strong rates of economic growth and the dividends that came with it. The 1920s saw annual economic growth above five percent. In the 1950s, it was above six percent. Economic growth during the Kennedy and Johnson years averaged 4.8 percent annually. During the years after the Reagan tax cuts and before the 1990 tax increase, the economy grew at an average rate of 3.9 percent a year, according to data supplied by the Joint Economic Committee.

The Clinton years, by contrast, have actually seen the economy grow at a much slower rate—an average rate of only about 2.3 percent a year. And recent estimates by the Congressional Budget Office project that the growth of real Gross Domestic Product is likely to slow to just over two percent for the last part of 1998 and the early part of 1999. What that means is that, while we may not exactly be hurting as a nation, we are not becoming much better off, either. We are certainly not leaving much of a legacy for our children and grandchildren to meet the needs of tomorrow.

Slower growth means fewer job opportunities in the days ahead for young Americans just entering the workforce and for those people seeking to free themselves from the welfare rolls. It means stagnant wages and salaries, and fewer opportunities for career advancement for those who do have jobs. It means less investment in new plants and equipment, and new technology—things needed to enhance productivity and ensure that American businesses can remain competitive in the global marketplace.

So what do we do to spur economic growth—to ensure that jobs will continue to be available for those who want them, that families can earn better wages, and that American business maintains a dominant role in the global economy? Those are, after all, the goals of the agenda I am laying out today—an agenda for economic growth and opportunity for all Americans, for those struggling to make ends meet today, and for our children when they enter the workforce tomorrow.

Let me begin my answer with another quotation from John Kennedy:

''[I]t is increasingly clear—to those in Government, business, and labor who are responsible for our economy's success—that our obsolete tax system exerts too heavy a drag on private purchasing power, profits, and employment. Designed to check inflation in earlier years, it now checks growth instead. It discourages extra effort and risk. It distorts use of resources. It invites recurrent recessions, depresses our Federal revenues, and causes chronic budget deficits.''

Mr. President, although we managed to balance the unified budget last year, there is still much in what President Kennedy said that is relevant to our situation today. Consider, for example, that we balanced the budget by taxing and spending at a level of about $1.72 trillion—a level of spending that is 25 percent higher than when President Clinton took office just six years ago. Our government now spends the equivalent of $6,700 for every man, woman, and child in the country every year. That is the equivalent of nearly $27,000 for the average family of four. But all of that spending comes at a tremendous cost to hard-working taxpayers. As President Kennedy put it, it is a drag on private purchasing power, profits, and employment.

The Tax Foundation estimates that the median income family in America saw its combined federal, state, and local tax bill climb to 37.6 percent of income in 1997—up from 37.3 percent the year before. That is more than the average family spends on food, clothing, shelter, and transportation combined. Put another way, in too many families, one parent is working to put food on the table, while the other is working almost full time just to pay the bill for the government bureaucracy.

Perhaps a different measure of how heavy a tax burden the federal government is imposing—how big is the drag on the economy—would be helpful here. Consider that federal revenues hit a peacetime high of 19.8 percent of Gross Domestic Product (GDP) in 1997 and, according to the Congressional Budget Office, will continue to climb—to 20.5 percent in 1998 and 20.6 percent in 1999. That will be higher than any year since 1945, and it would be only the third and fourth years in our nation's entire history that revenues have exceeded 20 percent of national income. Notably, the first two times revenues broke the 20 percent mark, the economy tipped into recession.

Mr. President, the agenda I am proposing attacks some of the most significant deficiencies in our nation's Tax Code that are inhibiting savings and investment, and job creation—deficiencies that keep us from reaching our potential as a nation. I do not make these proposals as a substitute for fundamental tax reform or an across-the-board reduction in income-tax rates, which I believe are the ultimate solutions to the problem. But fundamental tax reform is going to take some time to accomplish, maybe several years. And I am not convinced that President Clinton will ever agree to an across-the-board reduction in tax rates. Therefore, what we need now are interim steps—things we can do quickly—to make sure our movement into the 21st century is based on the bedrock of a strong and growing economy.

These Tax Code changes will help strengthen the economy and, in turn, produce more revenue for the federal government to help keep the budget balanced. Recent experience proves that it is a strong and growing economy—not high tax rates—that generates substantial amounts of new revenue for the Treasury. It was the growing economy that helped eliminate last year's unified budget deficit.

Mr. President, the first of the four tax-related bills I am introducing is based primarily upon President John Kennedy's own growth package from three decades ago. Like the Kennedy plan, the legislation would reduce the percentage of long-term capital gains included in individual income subject to tax to 30 percent. It would reduce the alternative tax on the capital gains of corporations to 22 percent.

I would note that Democratic President John Kennedy's plan called for a deeper capital gains tax cut than the Republican-controlled Congress passed in 1997.

There was a reason that John Kennedy called for a significant cut in the capital gains tax. ''The present tax treatment of capital gains and losses is both inequitable and a barrier to economic growth,'' the President said. ''The tax on capital gains directly affects investment decisions, the mobility and flow of risk capital from static to more dynamic situations, the ease or difficulty experienced by new ventures in obtaining capital, and thereby the strength and potential for growth of the economy.''

So if we are concerned whether new jobs are being created, whether new technology is developed, whether workers have the tools they need to do a better, more efficient job, we should support measures that reduce the cost of capital to facilitate the achievement of all these things. Remember, for every employee, there is an employer who took risks, made investments, and created jobs. But that employer needed capital to start. Economist Allen Sinai estimates that a capital-gains tax reduction would help businesses create as many as 500,000 new jobs.

A capital-gains tax reduction would provide critical help to the country's entrepreneurs, especially those striving to open their own small businesses or grow their businesses. Small business is, after all, that engine that drives the nation's economy. In Arizona, about half of those businesses are run by women. An estimated 130,000 women-owned businesses in the state employ more than 330,000 people. These are precisely the kind of firms that have difficulty securing the capital they need to expand. High capital-gains taxes are one reason why.

Mr. President, it may come as a surprise to some people, but experience shows that lower capital-gains tax rates help not only small businesses and the economy, but federal revenues

as well. The most impressive evidence, as noted in a recent report by the American Council for Capital Formation, can be found in the period from 1978 to 1985. During those years, the top marginal federal tax rate on capital gains was cut significantly—from 35 percent to 20 percent—but total individual capital gains tax receipts nearly tripled—from $9.1 billion to $26.5 billion annually.

Data from the National Bureau of Economic Research indicates that the maximizing capital gains tax rate—that is, the rate that would bring in the most Treasury revenue—is somewhere between nine and 21 percent. The Joint Economic Committee estimates that the optimal rate is probably 15 percent or less. The bill I am introducing today would set an effective top rate on capital gains earned by individuals, by virtue of the 70 percent exclusion, at 11.88 percent.

Mr. President, when capital gains tax rates are too high, people need only hold onto their assets to avoid the tax indefinitely. No sale, no tax. But that means less investment, fewer new businesses and new jobs, and—as historical surveys show—far less revenue to the Treasury than if capital gains taxes were set at a lower level. Just as the local department store does not lose money on weekend sales—because volume more than makes up for lower prices—lower capital gains tax rates can encourage more economic activity and, in turn, produce more revenue for the government.

Capital gains reform will help the Treasury. A capital gains tax reduction would help unlock a sizable share of the estimated $7 trillion of capital that is left virtually unused because of high tax rates. More importantly, it will help the family that has a small plot of land it would like to sell, or a small business that would like to expand, buy new equipment, and create new jobs.

Moreover, evidence shows that most of the tax savings will go to Americans of modest means. According to Internal Revenue Service data, almost 53 percent of taxpayers reporting capital gains had adjusted gross incomes of less than $50,000. Another 28 percent have AGIs between $50,000 and $100,000.

Nearly two years ago, this Congress reduced capital gains taxes, but it did so in a way that added substantially to the complexity of the Tax Code. And, in my view, it did not cut the tax rate enough. John Kennedy's idea—that is, simply providing a 70 percent exclusion—was a superior approach, and that is what I am proposing today.

Mr. President, the second part of this bill proposes a similar exclusion for dividend income. The rationale is twofold: first, to further encourage saving and investment; and second, to eliminate any bias in the Tax Code that might favor investments whose returns are paid primarily in capital gains over those that pay dividends. With recent reductions in the capital-gains tax, there may now be more incentive to invest in instruments that produce earnings taxed at the low capital-gains rate, as opposed to investing for dividends which are taxed at the regular, higher income-tax rate. My bill proposes to put dividend income on par with capital gains for purposes of levying an income tax.

The exclusion for dividend income would also go a long way toward eliminating the double taxation of such income, which is currently taxed once at the corporate level and then again when it is provided to investors in the form of dividends. A report by the American Council for Capital Formation notes that dividend income is taxed more heavily in the United States than in most other industrialized countries. The Council indicates that dividend income is subject to a U.S. tax rate of 60.4 percent, compared to an average of 51.1 percent abroad. This high rate is due to the double taxation of dividend income.

Mr. President, the second in this series of bills is the Corporate Tax Equity Act, a bill designed to help U.S. businesses make larger capital expenditures and thereby enhance productivity and job creation by repealing the corporate Alternative Minimum Tax (AMT).

Mr. President, the original intent of the AMT was to make it harder for large, profitable corporations to avoid paying any federal income tax. But the way to have accomplished that objective was not, in my view, to impose an AMT, but to identify and correct the provisions of law that allowed large companies to inappropriately lower their federal tax liabilities to begin with. Ironically, the primary shelters corporations were using to minimize their tax liability—that is, the accelerated depreciation and safe harbor leasing of the old Tax Code—were being corrected at the time the AMT was enacted.

I would point out that the AMT is not a tax, per se. As indicated in an April 3, 1996 report by the Congressional Research Service, the AMT is merely intended to serve as a prepayment of the regular corporate income tax, not a permanent increase in overall corporate tax liability. What that means in practical terms is that businesses are forced to make interest-free loans to the federal government under the guise of the AMT. Corporations pay a tax for which they are not liable, but which they are able to apply toward their future regular tax liability.

I would also point out that most of the corporations paying the AMT are relatively small. The General Accounting Office, in a 1995 report on the issue, found that, in most years between 1987 and 1992, more than 70 percent of corporations paying the AMT had less than $10 million in assets.

The AMT requires corporations to calculate their tax liability under two separate but parallel income-tax systems. Firms must calculate their AMT liability even if they end up paying the regular tax. At a minimum, that means that firms must maintain two sets of records for tax purposes.

The compliance costs are substantial. In 1992, for example, while only about 28,000 corporations paid the AMT, more than 400,000 corporations filed the AMT form, and an even greater—but unknown—number of firms performed the calculations needed to determine their AMT liability. A 1993 analysis by the Joint Committee on Taxation found that the AMT added 16.9 percent to a corporation's total cost of complying with federal income tax laws.

Mr. President, repealing the corporate AMT would help free up badly needed capital to assist in business expansion and job creation. According to a study by DRI/McGraw-Hill, AMT repeal would have increased fixed investment by a total of 7.9 percent, raised Gross Domestic Product by 1.6 percent, and increased labor productivity by 1.6 percent between 1996 and 2005. The study also projected that repeal would produce an additional 100,000 jobs a year during the years 1998 to 2002.

Mr. President, the third bill in this package is the Small Business Investment and Growth Act, which would ensure that small businesses do not pay a higher income-tax rate than large corporations. Congressman PHIL CRANE of Illinois has been promoting similar legislation in the House of Representatives.

Mr. President, the 1990 and 1993 increases in marginal income-tax rates put a tremendous strain on the nearly two million small businesses around the country that are organized as S corporations. Since these small businesses pay taxes at the individual income-tax rate, they can be subject to rates as high as 39.6 percent—higher than any other corporate entity. By contrast, the top rate imposed on large corporations is only 34 percent.

What sense is there in imposing tax rates on small businesses that are higher than those levied on better financed corporations? Estimates indicate that successful American businesses have been able to create three to four new jobs for every additional $100,000 they retain in the business. So higher taxes are counterproductive. They deny small businesses the funds they need to invest in new jobs, new equipment, and new facilities. That hurts small companies. And it hurts the economy.

The bill I am introducing today would establish a top rate of 34 percent when a small business reinvests its earnings in its operation, or when the earnings are distributed to the shareholders for the purposes of making tax payments. This lower tax rate would be applicable only to the first $5 million in taxable income of the small business.

The bill is a similar, but expanded, version of legislation that I introduced during the 105th Congress. Although the latest version would provide relief to more S corporations, I want to make

it clear that I would prefer to provide tax relief to all businesses. And since taxes paid by businesses are merely passed along in the form of higher prices, we are really talking about providing relief to all consumers.

The Small Business Investment and Growth Act represents an important first step toward reducing excessive taxes on small business and encouraging S corporation owners and managers to reinvest income into their businesses, thereby creating more jobs and fueling economic growth. I hope my colleagues will join me in supporting this measure and reducing the tax burden imposed on America's small businesses.

Mr. President, the fourth in the series of economic growth incentives is a bill to repeal the federal estate, or death, tax.

Mr. President, it was Ben Franklin who said some 200 years ago that nothing in this world is certain except death and taxes. Leave it to the federal government to find a way to put those two inevitabilities together to create a death tax that is not only confiscatory, but offensive to Americans' sense of fairness, harmful to the environment, and injurious to small business and the economy.

Although most Americans will probably never pay a death tax, most people still sense that there is something terribly wrong with a system that allows Washington to seize more than half of whatever is left after someone dies—a system that prevents hard-working Americans from passing the bulk of their nest eggs to their children or grandchildren. The respected liberal Professor of Law at the University of Southern California, Edward J. McCaffrey, put it this way: ''Polls and practices show that we like sin taxes, such as on alcohol and cigarettes.'' ''The estate tax,'' he went on to say, ''is an anti-sin, or a virtue tax. It is a tax on work and savings without consumption, on thrift, on long term savings. There is no reason even a liberal populace need support it.''

Democrat economists Henry Aaron and Alicia Munnell reached similar conclusions, writing in a 1992 study that death taxes ''have failed to achieve their intended purposes. They raise little revenue. They impose large excess burdens. They are unfair.''

In fact, 77 percent of the people responding to a survey by the Polling Company last year indicated that they favor repeal of the death tax. When Californians had the chance to weigh in with a ballot proposition, they voted two-to-one to repeal their state's death tax. The legislatures of five other states have enacted legislation since 1997 that will either eliminate or significantly reduce the burden of their states' death taxes.

Talk to the men and women who run small businesses around the country and you will find that death taxes are a major concern to them. The 1995 White House Conference on Small Business identified the death tax as one of small business's top concerns, and delegates to the conference voted overwhelming to endorse its repeal.

Remember, this is a tax that is imposed on a family business at the moment when it is least able to afford the payment—upon the death of the person with the greatest practical and institutional knowledge of that business's operations. It should come as no surprise, then, that a 1993 study by Prince and Associates—a Stratford, Connecticut research and consulting firm—found that nine out of 10 family businesses that failed within three years of the principal owner's death attributed their companies' demise to trouble paying the death tax. Six out of 10 family-owned businesses fail to make it to the second generation. The death tax is a major reason why.

Think of what that means to women and minority-owned businesses in particular. Instead of passing a hard-earned and successful business on to the next generation, many families have to sell the company in order to pay the death tax. The upward mobility of such families is stopped in its tracks. The proponents of this tax always speak of the need to hinder ''concentrations of wealth.'' What the tax really hinders is new American success stories.

Even if a family does not have to sell its business to pay the death tax, there are still significant costs that are imposed either directly or indirectly. Some people simply take preemptive action—they slow the growth of their businesses to limit their death-tax burden. Of course, that means less investment in our communities and fewer jobs created. Others divert money they would have spent on new equipment or new hires to insurance policies designed to cover death-tax costs. Still others spend millions on lawyers, accountants, and other advisors for death-tax planning purposes. But that leaves fewer resources to invest in the company, start up new businesses, hire additional people, or pay better wages.

What that suggests to me is that, although the death tax raises only about one percent of the federal government's annual revenue, it exerts a disproportionately large and negative impact on the economy. Alicia Munnell, who belonged to President Clinton's Council of Economic Advisors, estimates that the costs of complying with death-tax laws are of roughly the same magnitude as the revenue raised, or about $23 billion in 1998. In other words, for every dollar of tax revenue raised by the death tax, another dollar is squandered in the economy simply to comply with or avoid the tax.

Over time, the adverse consequences are compounded. A report issued by the Joint Economic Committee just last month concluded that the existence of the death tax this century has reduced the stock of capital in the economy by nearly half a trillion dollars.

By repealing it and putting those resources to better use, the Joint Committee estimates that as many as 240,000 jobs could be created over seven years and Americans would have an additional $24.4 billion in disposable personal income.

Is it not better to encourage the creation of new jobs for tax-paying Americans than to impose a tax that puts people out of work or lowers their income? I think so, and that is why I favor repeal of the death tax.

Mr. President, I suggested a moment ago that the death tax had a harmful effect, not only on the economy, but on the environment, as well. That is something that we need to consider here. An increasing number of families that own environmentally sensitive lands are having to sell the property for development in order to pay the death tax. Natural habitats are being destroyed as a result. With that in mind, Michael Bean of The Nature Conservancy observed that the death tax is ''highly regressive in the sense that it encourages the destruction of ecologically important land.'' It represents a real and present threat to endangered and threatened species and their habitats.

Mr. President, let me conclude by citing the report issued a few years ago by the National Commission on Economic Growth and Tax Reform, because it goes back to the point about fairness in a very poignant way. The Commission concluded that ''[i]t makes little sense and is patently unfair to impose extra taxes on people who choose to pass their assets on to their children and grandchildren instead of spending them lavishly on themselves.'' I agree. The Commission went on to endorse repeal of the death tax.

Mr. President, the Agenda for Economic Growth and Opportunity will help keep the economy on track—it will help forestall the recession that some economists predict is on the way. It will help improve the standard of living for all Americans. I invite my colleagues' support for this very important initiative.

By Ms. MIKULSKI (for herself, Mr. SARBANES, Mr. ROBB, and Mr. WARNER):

S. 57. A bill to amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance is made available to Federal employees and annuitants, and for other purposes; to the Committee on Foreign Relations.

FEDERAL EMPLOYEES GROUP LONG-TERM CARE INSURANCE ACT OF 1999

Ms. MIKULSKI. Mr. President, I rise today to introduce the ''Federal Employees Group Long-Term Care Insurance Act of 1999''. This important legislation will provide long-term care insurance to federal employees and retirees. It will also create a model for other employers to use in providing long-term care insurance for their