missile defense capable of defending the territory of the United States against limited ballistic missile attack; to the Committee on Armed Services.

By Mr. MCCAIN (for himself, Mr. LEVIN, and Mr. ROBB):

S. 258. A bill to authorize additional rounds of base closures and realignments under the Defense Base Closure and Realignment Act of 1990 in 2001 and 2003, and for other purposes; to the Committee on Armed Services.

By Mr. INOUYE:

S. 259. A bill to increase the role of the Secretary of Transportation in administering section 901 of the Merchant Marine Act, 1936, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. GRASSLEY (for himself, Mr. DASCHLE, Mr. CRAIG, Mr. BROWNBACK, Mr. SESSIONS, Mr. ASHCROFT, Mr. KOHL, and Mr. BURNS):

S. 260. A bill to make chapter 12 of title 11, United States Code, permanent, and for other purposes; to the Committee on the Judiciary.

By Mr. SPECTER (for himself, Mr. ROCKEFELLER, Mr. BYRD, Mr. DEWINE, Mr. HOLLINGS, Mr. SANTORUM, Ms. MIKULSKI, Mr. SARBANES, Mr. HUTCHINSON, Mr. DURBIN, Mr. KOHL, Mr. SESSIONS, and Mr. MOYNIHAN):

S. 261. A bill to amend the Trade Act of 1974, and for other purposes; to the Committee on Finance.

By Mr. ROTH (for himself and Mr. MOYNIHAN):

S. 262. A bill to make miscellaneous and technical changes to various trade laws, and for other purposes; to the Committee on Finance.

By Mr. ROTH:

S. 263. A bill to amend the Social Security Act to establish the Personal Retirement Accounts Program; to the Committee on Finance.

By Mr. AKAKA:

S. 264. A bill to increase the Federal medical assistance percentage for Hawaii to 59.8 percent; to the Committee on Finance.

By Mrs. FEINSTEIN (for herself and Ms. SNOWE):

S. 265. A bill entitled ''Hospital Length of Stay Act of 1999''; to the Committee on Finance.

By Mrs. FEINSTEIN:

S. 266. A bill to amend the Clean Air Act to permit the exclusive application of California State regulations regarding reformulated gasoline in certain areas within the State; to the Committee on Environment and Public Works.

S. 267. A bill to amend the Solid Waste Disposal Act to direct the Administrator of the Environmental Protection Agency to give highest priority to petroleum contaminants in drinking water in issuing corrective action orders under the response program for petroleum; to the Committee on Environment and Public Works.

S. 268. A bill to specify the effective date of and require an amendment to the final rule of the Environmental Protection Agency regulating exhaust emissions from new spark-ignition gasoline marine engines; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. MURKOWSKI (for himself, Mr. TORRICELLI, Mr. HELMS, Mr. THOMAS, Mr. MACK, and Mr. SMITH of Oregon):

S. Res. 26. A resolution relating to Taiwan's Participation in the World Health Organization; to the Committee on Foreign Relations.

By Mr. WELLSTONE:

S. Res. 27. A resolution expressing the sense of the Senate regarding the human rights situation in the People's Republic of China; to the Committee on Foreign Relations.

By Mr. DURBIN:

S. Con. Res. 2. A concurrent resolution recommending the integration of Lithuania, Latvia, and Estonia into the North Atlantic Treaty Organization (NATO); to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATCH (for himself, Mr. SESSIONS, Mr. THURMOND, Mr. ABRAHAM, Mr. DEWINE, Mr. ASHCROFT):

S. 254. A bill to reduce violent juvenile crime, promote accountability by rehabilitation of juvenile criminals, punish and deter violent gang crime, and for other purposes; read the first time.

VIOLENT AND REPEAT JUVENILE OFFENDER ACCOUNTABILITY AND REHABILITATION ACT OF 1999

Mr. HATCH. Mr. President, I am proud today to introduce the Violent and Repeat Juvenile Offender Accountability and Rehabilitation Act of 1999. I am pleased to be joined by Senator SESSIONS, the distinguished chairman of the Youth Violence Subcommittee, as well as Senator DEWINE.

There are few issues that will come before the Senate this year that touch the lives of more of our fellow Americans than our national response to juvenile crime. Crime and delinquency among juveniles is a problem that troubles us in our neighborhoods, schools and parks. It is the subject across the dinner table, and in those late night, worried conversations all parents have had at one time or another. The subject is familiar—how can we prevent our children from falling victim—either to crime committed by another juvenile, or to the lure of drugs, crime, and gangs.

Their concerns should be our concerns. The sad reality is that we can no longer sit silently by as children kill children, as teenagers commit truly heinous offenses, as our juvenile drug abuse rate continues to climb. In 1997, juveniles accounted for nearly one fifth—18.7 percent—of all criminal arrests in the United States. Persons under 18 committed 13.5 percent of all murders, over 17 percent of all rapes, nearly 30 percent of all robberies, and 50 percent of all arsons.

In 1997, 183 juveniles under 15 were arrested for murder. Juveniles under 15 were responsible for 6.5 percent of all rapes, 14 percent of all burglaries, and one third of all arsons. And, unbelievably, juveniles under 15—who are not old enough to legally drive in any state—in 1997 were responsible for 10.3 percent of all auto thefts.

To put this in some context, consider this: in 1997, youngsters age 15 to 19, who are only 7 percent of the population, committed 22.2 percent of all crimes, 21.4 percent of violent crimes, and 32 percent of property crimes.

And although there are endless statistics on our growing juvenile crime problem, one particularly sobering fact is that, between 1985 and 1993, the number of murder cases involving 15-year olds increased 207 percent. We have kids involved in murder before they can even drive.

Even my state of Utah has not been immune from these trends. Indeed, a 1997 study by Brigham Young University Professor Richard Johnson found that Utah's juvenile arrest rate is the highest in the nation. Additionally, as an indication of the increasingly serious nature of juvenile offenses in Utah, between 1990 and 1996 the number of juveniles sentenced to youth corrections increased 142 percent, and the number of juveniles requiring detention in a secure facility more than doubled. And in 1995, the average Utah juvenile offender had accumulated an astonishing average of 23 misdemeanors, 8 felony convictions, and 2.4 status offense convictions before being sentenced to a secure youth facility.

In short, our juvenile crime problem has taken a new and sinister direction. But cold statistics alone cannot tell the whole story. Crime has real effects on the lives of real people. Last fall, I read an article in the Richmond Times-Dispatch by my good friend, crime novelist Patricia Cornwell. It is one of the finest pieces I have read on the effects of and solutions to our juvenile crime problem.

Let me share with my colleagues some of what Ms. Cornwell, who has spent the better part of her adult life studying and observing crime and its effects, has to say. She says ''when a person is touched by violence, the fabric of civility is forever rent, or ripped, or breached . . .'' This is a graphic but accurate description. Countless lives can be ruined by a single violent crime. There is, of course, the victim, who may be dead, or scarred for life. There are the family and friends of the victim, who are traumatized as well, and who must live with the loss of a loved one. Society itself is harmed, when each of us is a little more frightened to walk on our streets at night, to use an ATM, or to jog or bike in our parks. And, yes, there is the offender who has chosen to throw his or her life away. Particularly when the offender is a juvenile, family, friends, and society are made poorer for the waste of potential in every human being. One crime, but permanent effects when ''the fabric of civility is rent.''

This is the reality that has driven me to work for the last three years to address this issue. In this effort, I have been joined by a bipartisan majority of the Senate Judiciary Committee, which last Congress reported comprehensive legislation on a bipartisan,

two to one vote. Indeed, among members of the Youth Violence Subcommittee, the vote was seven to two in favor of the bill.

The Judiciary Committee's legislation last Congress would have fundamentally reformed the role played by the federal government in addressing juvenile crime in our Nation. It was supported by law enforcement organizations such as the Fraternal Order of Police, the National Sheriffs Association, and the National Troopers Coalition, as well as the support of juvenile justice practitioners such as the National Council of Juvenile and Family Court Judges, and victim's groups including the National Victims Center and the National Organization for Victims Assistance.

The bill we introduce today builds on those efforts. Our reform proposal includes the best of what we know works. It combines tough measures to protect the public from the worst juvenile criminals, smart measures to provide intervention and correction at the earliest acts of delinquency, and compassionate measures to rehabilitate juvenile offenders and to supplement and enhance extensive existing prevention programs to keep juveniles out of the cycle of crime, violence, drugs, and gangs.

Mr. President, let me spell out in great detail the provisions of this bill, and how it will help reform the juvenile justice system that is failing the victims of juvenile crime, failing too many of our young people, and ultimately, failing to protect the public.

First, this bill reforms and streamlines the federal juvenile code, to responsibly address the handful of cases each year involving juveniles who commit crimes under federal jurisdiction. Our bill sets a uniform age of 14 for the permissive transfer of juvenile defendants to adult court, permits prosecutors and the Attorney General to make the decision whether to charge a juvenile offender as an adult, and permits in certain circumstances juveniles charged as an adult to petition the court to be returned to juvenile status.

It also provides that when prosecuted as adults, juveniles in Federal criminal cases will be subject to the same procedures and penalties as adults, except for the application of mandatory minimums in most cases. Of course, the death penalty would not be available as punishment for any offense committed before the juvenile was 18.

The bill similarly provides that juveniles tried as adults and sentenced to prison must serve their entire sentences, and may not be released on the basis of attaining their majority, and applies to juveniles convicted as adults the same provisions of victim restitution, including mandatory restitution, that apply to adults.

Finally, in reforming the federal system, I believe that we must lead by example. So our bill provides that the federal criminal records of juveniles tried as adults, and the federal delinquency records of juveniles adjudicated delinquent for certain serious offenses such as murder, rape, armed robbery, and sexual abuse or assault, will be treated for all purposes in the same manner as the records of adults for the same offenses. Other federal felony juvenile criminal or delinquency records would be treated the same as adult records for criminal justice or national security background check purposes.

The bill also permits juvenile federal felony criminal and delinquency records to be provided to schools and colleges under rules issued by the Attorney General, provided that recipients of the records are held to privacy standards and that the records not be used to determine admission.

Let me assure any who may be concerned that it is not our intent in reforming the federal juvenile code to federalize juvenile crime—indeed, no conduct that is not a federal crime now will be if this reform is enacted. I do not intend or expect a substantial increase in the number of juvenile cases adjudicated or prosecuted in federal court. It is our intent, rather, to ensure that when there is a federal crime warranting the federal prosecution of a juvenile, the federal government assumes its responsibility to deal with it, rather than saddling the states with that burden.

Second, at the heart of this bill is an historic reform and reauthorization of the Juvenile Justice and Delinquency Prevention Act of 1974, the most comprehensive review of that legislation in 25 years. The States for several years have been far ahead of the Federal Government in implementing innovative reforms of their juvenile justice systems. For example, between 1992 and 1996, of the 50 States and the District of Columbia, 48 made substantive changes to their juvenile justice systems. Among the trends in State law changes are the removal of more serious and violent offenders from the juvenile justice system, in favor of criminal court prosecution; new and innovative disposition/sentencing options for juveniles; and the revision, in favor of openness, of traditional confidentiality provisions relating to juvenile proceedings and records.

While the States have been making fundamental changes in their approaches to juvenile justice, however, the Federal Government has made no significant change to its approach and has done little to encourage State and local reform. Thus, the juvenile justice terrain has shifted beneath the Federal Government, leaving its programs and policies out of step and largely irrelevant to the needs of State and local governments. This bill corrects this imbalance between State and Federal juvenile justice policy, and will help ensure that federal programs support the needs of State and local governments.

First, our bill reforms and strengthens the Office of Juvenile Justice and Delinquency Prevention (OJJDP) of the Department of Justice. The effectiveness of the OJJDP will be enhanced by requiring its Administrator to present to Congress annual plans, with measurable goals, to control and prevent youth crime, coordinate all Federal programs relating to controlling and preventing youth crime, and disseminate to States and local governments data on the prevention, correction and control of juvenile crime and delinquency, and report on successful programs and methods.

And, most important to state and local governments, in the future, OJJDP will serve as a single point of contact for States, localities, and private entities to apply for and coordinate all federal assistance and programs related to juvenile crime control and delinquency prevention. This one-stop-shopping for federal programs and assistance will help state and local governments focus on the problem, instead of on how to navigate the federal bureaucracy.

Second, our reform bill consolidates numerous JJDPA programs, including Part C Special Emphasis grants, State challenge grants, boot camps, and JJDPA Title V incentive grants, under an enhanced $200 million per year prevention challenge block grant to the States. The bill also reauthorizes the JJDPA Title II Part B State formula grants. In doing so, it also reforms the current core mandates on the States relating to the incarceration of juveniles to ensure the protection of juveniles in custody while providing state and local governments with needed flexibility.

This flexibility is particularly important to rural states, where immediate access to a juvenile detention facility might be difficult. Since many communities cannot afford separate juvenile and adult facilities, law enforcement officers must drive hours to transport juvenile offenders to the nearest facility, instead of patrolling the streets. Another unintended consequence of JJDPA is the release of juvenile offenders because no beds are available in juvenile facilities or because law enforcement officials cannot afford to transport youths to juvenile facilities. Juvenile criminals are released even though space is available to detain them in adult facilities. Our reform will provide the states with a degree of flexibility which currently does not exist.

However, this flexibility is not provided at the expense of juvenile inmate safety. The bill strictly prohibits placing juvenile offenders in jail cells with adults. No one supports the placing of children in cells with adult offenders. To be clear—nothing in the bill will expose juveniles to any physical contact by adult offenders. Indeed, the legislation is explicit that, if states are to qualify for federal funds, they may not place juvenile delinquents in detention under conditions in which the juvenile can have physical contact, much less be physically harmed by, an adult inmate.

These provisions are largely based on H.R. 1818 from the 105th Congress, but are improved to ensure that abuse of juvenile delinquent inmates is not permitted by incorporating definitions of what constitutes unacceptable contact between juvenile delinquents and adult inmates.

Third, and finally, our reform of the JJDPA reauthorizes and strengthens those other parts of the JJDPA that have proven effective. For example, the National Center for Missing and Exploited Children and the Runaway and Homeless Youth Act are reauthorized and funded. Gang prevention programs are reauthorized. And important, successful programs to provide mentoring for young people in trouble with the law or at risk of getting into trouble with the law are reauthorized and expanded. Operating through the Cooperative Extension Service program sponsored by the Department of Agriculture, the University of Utah has developed a ground-breaking and highly successful program that mentors to entire families—pairing college age mentors with juveniles in trouble or at risk of getting in trouble with the law, and pairing senior citizen couples with the juvenile's parents and siblings. This program gets great bang for the buck. So our bill provides demonstration funds to expand this program and replicate its success in other states.

Finally, our bill provides an important new program to encourage state programs that provide accountability in their juvenile justice systems. All or nearly all of our states have taken great strides in reforming their systems, and it is time for the federal government's programs to catch up and provide needed assistance.

Despite reforms in recent years, all too often, the juvenile justice system ignores the minor crimes that lead to the increasingly frequent serious and tragic juvenile crimes capturing headlines. Unfortunately, many of these crimes might have been prevented had the warning signs of early acts of delinquency or antisocial behavior been heeded. A delinquent juvenile's critical first brush with the law is a vital aspect of preventing future crimes, because it teaches an important lesson—what behavior will be tolerated. Accountability is not just about punishment—although punishment is frequently needed. It is about teaching consequences and providing rehabilitation to youth offenders.

According to a recent Department of Justice study, juveniles adjudicated for so-called index crimes—such as murder, rape, robbery, assault, burglary, and auto theft—began their criminal careers at an early age. The average age for a juvenile committing an index offense is 14.5 years, and typically, by age 7, the future criminal is already showing minor behavior problems. If we can intervene early enough, however, we might avert future tragedies. Our bill provides a new Juvenile Accountability Block Grant to reform federal policy that has been complicit in the system's failure, and provide states with much needed funding for a system of graduated sanctions, including community service for minor crimes, electronically monitored home detention, boot camps, and traditional detention for more serious offenses.

And let there be no mistake—detention is needed as well. Our first priority should be to keep our communities safe. We simply have to ensure that violent people are removed from our midst, no matter their age. When a juvenile commits an act as heinous as the worst adult crime, he or she is not a kid anymore, and we shouldn't treat them as kids.

State receipt of the incentive grants would be conditioned on the adoption of three core accountability policies: the establishment of graduated sanctions to ensure appropriate correction of juvenile offenders, drug testing juvenile offenders upon arrest in appropriate cases; and recognition of victims rights and needs in the juvenile justice system.

Meaningful reform also requires that a juvenile's criminal record ought to be accessible to police, courts, and prosecution, so that we can know who is a repeat or serious offender. Right now, these records simply are not generally available in NCIC, the national system that tracks adult criminal records. Thus, if a juvenile commits a string of felony offenses, and no record is kept, the police, prosecutors, judges or juries will never know what he did. Maybe for his next offense, he'll get a light sentence or even probation, since it appears he's committed only one felony in his life instead 10 or 15. Such a system makes no sense, and it doesn't protect the public.

So the reform we offer in this bill also provides the first federal incentives for the integration of serious juvenile criminal records into the national criminal history database, together with federal funding for the system.

Finally, we all recognize the value of education in preventing juvenile crime and rehabilitating juvenile offenders. When trouble-causing juveniles remain in regular classrooms, they frequently make it difficult for all other students to learn. Yet, removing such juveniles from the classroom without addressing their educational needs virtually guarantees that they will fall further into the vortex of crime and delinquency. The costs are high—to the juvenile, but also to victims and to society. These juveniles too frequently become crime committing adults, with all the costs that implies—costs to victims, and the cost of incarcerating the offenders to protect the public. So our bill tries to break this cycle, by providing a three-year $45 million demonstration project to provide alternative education to juveniles in trouble with or at risk of getting in trouble with the law.

The bill we introduce today authorizes significant funding for the programs I have described. In all, our bill authorizes $1 billion per year for 5 years, in the following categories: $450 million per year for Juvenile Accountability Block Grants; $435 million per year for prevention programs under the JJDPA, including $200 million for Juvenile Delinquency Prevention Block Grants, $200 million for Part B Formula grant prevention programs, and $35 million for Gangs, Mentoring and Discretionary grant programs; $75 million per year for grants to states to upgrade and enhance juvenile felony criminal record histories and to make such records available within NCIC, the national criminal history database used by law enforcement, the courts, and prosecutors; and $40 million per year for NIJ research and evaluation of the effectiveness of juvenile delinquency prevention programs.

Additionally, the bill authorizes $100 million per year for joint Federal-State-local law enforcement task forces to address gang crime in areas with high concentrations of gang activity. $75 million per year of this funding is authorized for establishment and operation of High Intensity Interstate Gang Activity Areas, and the remaining $25 million per year is authorized for community-based prevention and intervention for gang members and at-risk youth in gang areas.

And, finally, as I have already noted, the bill authorizes $45 million over 3 years for innovative alternative education programs to make our schools safer places of learning while helping ensure that the youth most at risk do not get left behind.

Lastly, Mr. President, let me address a provision in the bill which will prohibit firearms possession by violent juvenile offenders. This section extends the ban in current law on firearm ownership by certain felons to certain juvenile offenders. Juveniles who are adjudicated delinquent for an offense which would be a serious violent felony as defined in 18 U.S.C. 3559(C)(2)(f)(i)—the federal three strikes statute—were the offense committed by an adult will no longer be able to legally own firearms. This is common sense. If tried and convicted as adults, these criminals would automatically forfeit their right to own a gun.

However, we should learn our lesson as well from the so-called domestic violence gun ban enacted several years ago. If the offense records that allow us to know who is covered by the ban are not available, the law is hollow, or worse—it will be enforced only in arbitrary cases. For this reason, the ban we propose is prospective only, applying only to delinquent acts committed after records of such offenses are routinely available within the National Instant Check System instituted pursuant to the Brady Law.

We should also resist seeing this provision as any sort of panacea. Laws banning criminals from owning firearms have not stopped them from doing so, for a simple reason—criminals do not respect or obey the law. So

while this provision is an appropriate step, we should be under no illusion that it is the answer to our juvenile crime problem.

Mr. President, I believe that we all agree that it is far better to prevent the fabric of civility from being rent than to deal with the aftermath of juvenile crime. In the face of a confounding problem like juvenile crime, it is tempting to look for easy answers. I do not believe that we should succumb to this temptation. We are faced, I believe, with a problem which cannot be solved solely by the enactment of new criminal prohibitions. It is at its core a moral problem. Somehow, too frequently we have failed as a society to pass along to the next generation the moral compass that differentiates right from wrong. This cannot be legislated. It will not be restored by the enactment of a new law or the implementation of a new program. But it can be achieved by communities working together to teach accountability by example and by early intervention when the signs clearly point to violent and antisocial behavior.

Mr. President, that is what the bill we introduce is all about. It is a comprehensive approach to this national problem. I believe that it now is time for the Senate to act. I urge my colleagues to review this legislation, to support it, and to support its early debate and passage by the Senate.

Mr. President, I ask unanimous consent that a bill summary prepared by the Judiciary Committee staff and an article by Patricia Cornwell be printed in the RECORD.

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

THE VIOLENT AND REPEAT JUVENILE OFFENDER ACCOUNTABILITY AND REHABILITATION ACT OF 1999—SECTION-BY-SECTION ANALYSIS

Attached is a summary of the major provisions of S. , the Hatch-Sessions Violent and Repeat Juvenile Offender Accountability and Rehabilitation Act of 1999, as introduced January 19, 1999.

Should you have any questions about the bill not answered by this summary or the Committee Report, please call Mike Kennedy or Rhett DeHart of the Senate Judiciary Committee staff at (202) 224–5225.

GENERAL PROVISIONS

SEC. 1 *Short Title, Table of Contents.* This section entitles the bill as the ''Violent and Repeat Juvenile Offender Act of 1999'', and provides a table of contents for the bill.

SEC. 2 *Findings and Purpose.* This section provides Congressional findings related to juvenile crime, the juvenile justice system, and the changes needed to reform the juvenile justice system to curb youth violence, ensure accountability by youthful criminals, improve federal juvenile delinquency prevention efforts, and recognize the needs of crime victims.

SEC. 3 *Severability*. This section provides severability for the provisions of the Act.

TITLE I—JUVENILE JUSTICE REFORM

This title reforms the procedures by which juveniles who commit Federal crimes are prosecuted and punished.

SEC. 101 *Repeal of General Provision*. This section repeals the provision establishing the general practice of surrendering to State authorities juveniles arrested for the commission of Federal offenses.

SEC. 102 *Treatment of Federal Juvenile Offenders. General Provisions:* This section gives the U.S. Attorney the discretion to prosecute juveniles age 14 years or older as adults for violations of Federal law which are serious violent felonies or serious drug offenses (as these terms are defined in 18 U.S.C. 3559, the Federal 3-strike statute). Juveniles 14 and older may be prosecuted as adults for any other felony violation of Federal law only with the approval of the Attorney General. If approval is not given, or, for all misdemeanor violations of Federal law, juveniles would be proceeded against as juveniles, or referred to State or tribal authorities. Referral to state or tribal authorities would be presumed in all cases of concurrent state and federal jurisdiction, unless a state refused the case, or an overriding federal interest existed. In the special case of juveniles alleged to have committed a federal offense and who have a prior occasion been tried and convicted as an adult in federal court, waiver to adult status would be automatic.

Reverse Waiver Provision: Juveniles 15 and younger charged as an adult for serious violent felonies or serious drug offenses, and juveniles of any age charged as an adult for other felonies, may appeal their waiver to adult status. The juvenile would have 20 days to seek a judicial order returning the juvenile to juvenile status. The prosecutor would be permitted in interlocutory appeal from an adverse ruling, but a juvenile's appeal would be consolidated at the end of the case.

Application to Indian Tribes: This section also includes a limited tribal opt-in for Native American juveniles 15 and under when federal jurisdiction is based solely on the commission of the offense on tribal land. A tribal opt-in to federal procedures would be required to prosecute these juveniles as adults, although they could still be adjudicated in federal delinquency proceedings, even in the absence of a tribal opt-in.

Procedures: When prosecuted as adults, juveniles in Federal criminal cases would be subject to the same procedures and penalties as adults, including availability of records, open proceedings, and sentencing procedures. Exceptions are provided waiving the application of mandatory minimums to juveniles under age 16 who have no previous serious violent felony or serious drug offense convictions, and barring the availability of the death penalty in any offense committed before the juvenile was 18.

This section also provides that juveniles tried as adults and sentenced to prison must serve their entire sentences, and may not be released on the basis of attaining their majority, and applies to juveniles convicted as adults the same provisions of victim restitution, including mandatory restitution, that apply to adults.

SEC. 103 *Definitions.* This section provides definitions for terms used, including new definitions to ensure that juveniles accused or convicted of Federal offenses are separated from adults and to conform the definition of the term ''juvenile'' with the procedural changes made by this title.

SEC. 104 *Notification after Arrest*. This section conforms the requirement, in 18 U.S.C. 5033, that certain persons be notified of the arrest of a juvenile for a Federal crime, with the procedural changes in section 102 of this subtitle, which vests discretion to prosecute juveniles as adults with the U.S. Attorney for the district in the appropriate jurisdiction. This section also provides for the notification of the juveniles' parents or guardians, and prohibits the post-arrest housing of juveniles with adults.

SEC. 105 *Release and Detention Prior to Disposition*. This section provides for pretrial detention juveniles tried as adults on the same basis as adults, and prohibits the pretrial or pre-disposition detention of juveniles with adults.

SEC. 106 *Speedy Trial*. This section extends, from 30 to 70 days, the time in which the trial of a juvenile in detention must be commenced, and applies in juvenile cases the same tolling provisions for such time period that apply in adult prosecutions.

SEC. 107 *Dispositional Hearings*. This section provides for the sentencing of that juveniles found to be delinquent, but not tried as adults. It provides for a hearing on the matter within 40 days of an adjudication of delinquency, and provides for victim allocution at the hearing. The section provides a range of sentencing options to the court, including probation, fines, restitution, and/or imprisonment, and provides that terms of imprisonment may be imposed upon them for the same term as adults, except that such imprisonment must be terminated on the juvenile's 26th birthday. Juveniles sentenced to imprisonment may not be released solely on the basis of attaining their majority.

SEC. 108 *Use of Juvenile Records*. This section provides that the federal criminal records of juveniles tried as adults, and the federal delinquency records of juveniles adjudicated delinquent for certain serious offenses such as murder, rape, armed robbery, and sexual abuse or assault, are to be treated for all purposes in the same manner as the records of adults for the same offenses. Other federal felony juvenile criminal or delinquency records would be treated the same as adult records for criminal justice or national security background check purposes.

This section also permits juvenile federal felony juvenile criminal and delinquency records to be provided to schools and colleges under rules issued by the Attorney General, provided that recipients of the records are held to privacy standards and that the records not be used to determine admission.

SEC. 109 *Implementation of a Sentence for Juvenile Offenders*. This section provides for the implementation of a sentence on a delinquent or criminal juvenile and directs the Bureau of Prisons to not confine juveniles in any institution where the juvenile would not be separated from adult inmates.

SEC. 110 *Magistrate Judge Authority Regarding Juvenile Defendants*. This section extends the jurisdiction of Federal magistrate judges to class A misdemeanors involving juveniles; permits magistrate judges to impose terms of imprisonment on juveniles, and conforms the section conferring authority on magistrate judges with the procedural changes made by section 102.

SEC. 111 *Federal Sentencing Guidelines*. This section conforms the Sentencing Reform Act to ensure that the Federal Sentencing Guidelines relating to maximum penalties for violent crimes and serious drug crimes apply to juveniles tried as adults.

This section also amends the Sentencing Reform Act to direct the Sentencing Commission to promulgate sentencing guidelines for sentencing juveniles tried as adults in Federal court, and for dispositional hearings (the equivalent of sentencing) for juveniles adjudicated delinquent in the Federal system.

SEC. 112 *Study and Report on Indian Tribal Jurisdiction*. This section requires the Attorney General to study and report to the Congress on the capabilities of tribal courts and criminal justice systems relating to the prosecution of juvenile criminals under tribal jurisdiction, and requires the Attorney General to evaluate an expansion of tribal court criminal jurisdiction.

TITLE II—JUVENILE GANGS

SEC. 201 *Solicitation or Recruitment of Persons in Criminal Gang Activity.* This section makes the recruitment or solicitation of persons to participate in gang activity subject to a one-year minimum and 10-year maximum penalty, or a fine of up to $250,000. If a minor is recruited or solicited, the minimum penalty is increased to four years. In addition, a person convicted of this crime would have to pay the costs of housing, maintaining, and treating the juvenile until the juvenile reaches the age of 18 years.

SEC. 202 *Increased Penalties for Using Minors to Distribute Drugs.* This section increases the penalties for using minors to distribute controlled substances.

SEC. 203 *Penalties for Use of Minors in Crimes of Violence.* This section increases twofold, and for a second or subsequent offense threefold, the penalties for using minors in the commission of a crime of violence.

SEC. 204 *Amendment of Sentencing Guidelines With Respect to Body Armor.* This section directs the United States Sentencing Commission to provide a minimum two level sentencing enhancement for any defendant committing a Federal crime while wearing body armor.

SEC. 205 *High Intensity Interstate Gang Activity Areas.* This section authorizes the Attorney General to establish joint agency task forces to address gang crime in areas with high concentrations of gang activity. This provision authorizes $100 million per year for this program; $75 million per year is authorized for establishment and operation of High Intensity Interstate Gang Activity Areas, and $25 million per year is authorized for community-based gang prevention and intervention for gang members and at-risk youth in gang areas.

SEC. 206 *Increasing the Penalty for Using Physical Force to Tamper With Witnesses, Victims, or Informants.* This section increases the penalty from a maximum of 10 years' imprisonment to a maximum of 20 years' imprisonment for using or threatening physical force against any person with intent to tamper with a witness, victim, or informant. This section also adds a conspiracy penalty for obstruction of justice offenses involving victims, witnesses, and informants. In addition, this section makes traveling in interstate or foreign commerce to bribe, threaten or intimidate a witness to delay or influence testimony in a State criminal proceeding a violation of the Federal Travel Act, 18 U.S.C. Section 1952.

TITLE III—JUVENILE CRIME CONTROL, ACCOUNTABILITY, AND DELINQUENCY PREVENTION

This title reforms and enhances federal assistance to State and local juvenile crime control and delinquency prevention programs. Subtitle A amends and reauthorizes the Juvenile Justice and Delinquency Prevention Act of 1974 (JJDPA), to provide assistance to States for effective youth crime control and accountability.

SEC. 301 *Findings; Declaration of Purpose; Definitions.* This section rewrites Title I of the JJDPA. It updates and revises the Congressional findings and declaration of purpose contained in the JJDPA to reflect the reality of violent juvenile crime, promote the primacy of accountability in the juvenile justice system, and recognize the rights and needs of victims of juvenile crime. This section also revises and updates the definitions governing the JJDPA.

SEC. 302 *Juvenile Crime Control and Delinquency Prevention.* This section rewrites Title II of the JJDPA. It reforms and renames the current Office of Juvenile Justice and Delinquency Prevention within the Department of Justice, improves services to State and local governments, and reforms and streamlines existing JJDPA grant programs. Among the specific provisions of the rewritten JJDPA Title II:

Reforms JJDPA Title II Part A—the Office of Juvenile Justice and Delinquency Prevention (OJJDP) of the Department of Justice, is renamed the Office of Juvenile Crime Control and Prevention (OJCCP), with an Administrator appointed by the President and confirmed by the Senate. This section also enhances the effectiveness of the OJCCP by requiring the OJCCP Administrator to: present to Congress annual plans, with measurable goals, to control and prevent youth crime; coordinate all Federal programs relating to controlling and preventing youth crime; disseminate to States and local governments data on the prevention, correction and control of juvenile crime and delinquency, and report on successful programs and methods; and serve as a single point of contact for States, localities, and private entities to apply for and coordinate all federal assistance and programs related to juvenile crime control and delinquency prevention.

Consolidates numerous JJDPA programs, including Part C Special Emphasis grants, State challenge grants, boot camps, and JJDPA Title V incentive grants, under an enhanced prevention challenge block grant to the States.

Reauthorizes the State formula grants under Part B of Title II of the JJDPA:

Reforms the 3 current ''core mandates'' on the States relating to the incarceration of juveniles (known as sight and sound separation, jail removal, and status offender mandates,) to ensure the protection of juveniles in custody while providing state and local governments with needed flexibility; provisions are based on H.R. 1818 from the 105th Congress, but to ensure that abuse of juvenile delinquent inmates is not permitted, includes modified definitions from the 105th Congress S. 10 regarding what constitutes contact between juveniles and adults—no prohibited physical contact or sustained oral communication would permitted between juveniles delinquents in detention and adult inmates;

Modifies the current ''core mandate'' requiring states to address efforts to reduce the disproportionate number of minorities in juvenile detention in comparison with their proportion to the population at large, to make the language race-neutral and constitutional;

The four ''core mandates'' retained in modified form are each enforceable by a 12.5 percent reduction in a State's Part B funding for non-compliance. The Administrator may waive the penalty.

Revises JJDPA Title II Part C, to enhance federal research efforts into successful juvenile crime control and delinquency prevention programs; reauthorizes JJDPA Title II Part D Gang prevention programs, and reforms the program to provide an emphasis on the disruption and prosecution of gangs; includes a discretionary prevention grant program designated as Part E of Title II of the JJDPA; retains the current Part G Mentoring program under Title II of the JJDPA, redesignating it as Part F, and adding a pilot program to encourage and develop mentoring programs that focus on the entire family instead of simply the juvenile and which utilize the existing resources and infrastructure of the Cooperative Extension Services of Land Grant Universities; and designates JJDPA Title II Part G for administrative provisions, including: providing rules against use of federal funds for behavior control experimentation, lobbying, or litigation; subjecting JJDPA and Juvenile Accountability Block Grants (in Title III, Subtitle B of this bill) to a religious and charitable non-discrimination provision cross-referenced from the welfare reform law; providing significant funding directly from the Department of Justice for juvenile delinquency prevention and juvenile accountability programs in Indian country; and providing authorizations of appropriations for the JJDPA and the Juvenile Accountability Block Grants, as follows:

Authorizes $1 billion per year for five years, under the following formula: $450 million (45%) for Juvenile Accountability Block Grants; $435 million (43.5%) for prevention programs under the JJDPA, including $200 million for Juvenile Delinquency Prevention Block Grants, $200 million for Part B Formula grant prevention programs, and $35 million for Gangs, Mentoring and Discretionary grant programs; $75 million (7.5%) for grants to states to upgrade and enhance juvenile felony criminal record histories and to make such records available within NCIC, the national criminal history database used by law enforcement, the courts, and prosecutors; and $40 million (4%) for NIJ research and evaluation of the effectiveness of juvenile delinquency prevention programs.

SEC. 303 *Runaway and Homeless Youth.* This section reforms the Runaway and Homeless Youth program, and reauthorizes it through FY 2004. The reforms steamline the program, provide for targeting federal assistance to areas with the greatest need, and make numerous technical changes.

SEC. 304 *National Center for Missing and Exploited Children.* This section improves and reauthorizes the Missing and Exploited Children program through FY 2004, providing ongoing authorization for grants to the National Center for Missing and Exploited Children.

SEC 305. *Transfer of Functions and Savings Provisions.* This section provides technical and administrative rules to transfer functions, and to govern the transition from the Office of Juvenile Justice and Delinquency Prevention to the Office of Juvenile Crime Control and Prevention.

Subtitle B Accountability for Juvenile Offenders and Public Protection Incentive Grants

SEC. 321 *Block Grant Program. Accountability Block Grant:* This section establishes an incentive block grant program for States, authorized at $450 million for each of the next five fiscal years, as well as a separate $50 million per year grant program for the upgrade and enhancement of juvenile criminal records. The incentive block grants would fund a variety of programs, such as constructing juvenile offender detention facilities, implementing graduated sanctions programs; fingerprinting or conducting DNA tests on juvenile offenders; establishing record-keeping ability; establishing SHOCAP programs; enforcing truancy laws; and various prevention programs including afterschool youth activities, antigang initiatives, literacy programs, and job training programs. Indian tribes receive separate grants under this section.

State receipt of the incentive grants would be conditioned on the adoption of three core accountability policies: the establishment of graduated sanctions to ensure appropriate correction of juvenile offenders, drug testing juvenile offenders upon arrest in appropriate cases; and recognition of victims rights and needs in the juvenile justice system.

Fifty percent of the funds under the grant program are designated for implementing graduated sanctions or increasing juvenile detention space if needed by the State. Federal the remaining fifty percent can be used for any authorized grant purpose. Detention space construction projects must be funded by not less than fifty percent State or local (i.e., nonfederal grant) money.

The block grant includes a pass-through requirement intended to provide a formula for local funding that reflects the needs and responsibilities of state and local levels of government. Seventy percent of the funds received by the State under this block grant must be passed through to the local level, unless the state organizes its juvenile justice system exclusively on the State level.

Juvenile Records Grants: Criminal and juvenile record improvement grants for the States are authorized to encourage states to treat the records of juveniles who commit and are adjudicated delinquent for the felonies of murder, armed robbery, and sexual assault be treated the same as adult criminal records for the same offenses in the state, and to treat records of juveniles who commit any other felony be treated, for criminal justice purposes only, the same as adult criminal records for the same offenses. Such records would be available interstate within the NCIC system.

SEC. 322 *Pilot Program to Promote Replication of Recent Successful Juvenile Crime Reduction Strategies.* This section authorizes the Attorney General to fund pilot programs to replicate the successful juvenile crime reduction program utilized by Boston, Massachusetts. Pilot program grant recipients would adopt a juvenile crime reduction strategy involving close collaboration among Federal, State, and local law enforcement authorities, and including religious affiliated or fraternal organizations, school officials, social service agencies, and parent or local grass roots organizations. Emphasis would be placed on initiating effective crime prevention programs and tracing firearms seized from crime scenes or offenders in an effort to identify illegal gun traffickers who are supplying weapons to gangs and other criminal enterprises

SEC. 323 *Repeal of Unnecessary and Duplicative Programs.* This section repeals duplicative and wasteful programs enacted as a part of the 1994 crime law, including the Ounce of Prevention Council, the Model Intensive Grant program, the Local Partnership Act, the National Community Economic Partnership, the Urban Recreation and At-Risk Youth Program, and the Family Unity Demonstration Project.

SEC. 324 *Extension of Violent Crime Reduction Trust Fund.* This section extends the Violent Crime Reduction Trust Fund, established in the 1994 omnibus crime law, to fund programs authorized by this act.

SEC. 325 *Reimbursement of States for the Costs of Incarcerating Juvenile Aliens.* This section adds juvenile aliens to the State Criminal Alien Assistance Program, which provides reimbursement to the States for the costs of incarcerating criminal aliens.

SEC. 326 *Sense of Congress.* This section provides the sense of Congress that States should enact legislation to provide that if an offense that would be a capital offense if committed by an adult is committed by a juvenile between the ages of 10 and 14, the juvenile could, with judicial approval, be tried and punished as an adult, provided the death penalty would not be available in such cases.

Subtitle C—Alternative Education and Delinquency Prevention

SEC. 331 *Alternative Education.* This section amends the Elementary and Secondary Education Act (ESEA) to provide demonstration grants to state and local education agencies for alternative education in appropriate settings for disruptive or delinquent students, to improve the academic and social performance of these students and to improve the safety and learning environment of regular classrooms. Certain matching amounts required under this program could be made from amounts available to the State or local governments under the JJDPA. Appropriations under the ESEA of $15 million per year for four years are authorized.

TITLE IV—MISCELLANEOUS PROVISIONS

Subtitle A—General Provisions

SEC. 401 *Prohibition on Firearms Possession by Violent Juvenile Offenders.* This section extends the ban on firearm ownership by certain felons to persons who, as juveniles, are adjudicated delinquent for an offense which would be a serious violent felony as defined in 18 U.S.C. 3559(c)(2)(F)(i) (the federal three strikes statute), were the offense committed by an adult. The ban is prospective, applying only to delinquent acts committed after records of such offenses are routinely available within the National Instant Check System instituted pursuant to the Brady Law.

Subtitle B—Jail-Based Substance Abuse

SEC. 421 *Jail-Based Substance Abuse Treatment Program.* This section provides that 10 percent of grants to States for drug treatment in prisons (RSAT grants) should be directed to qualified treatment programs in jails; under current law, these funds are limited to prison treatment. This section also allows RSAT grants to be used to provide post-incarceration substance abuse treatment for former inmates if the Governor certifies to the U.S. Attorney General that the State is providing, and will continue to provide, an adequate level of treatment services to incarcerated inmates.

WHEN THE FABRIC IS RENT

(By Patricia Cornwell)

There was a saying in the morgue during those long six years I worked there. When a person is touched by violence, the fabric of civility is forever rent, or ripped or breached, whatever word is most graphic to you.

Our country is the most violent one in the free world, and as far as I'm concerned, we are becoming increasingly incompetent in preventing and prosecuting cruel crimes that we foolishly think happen only to others. There was another saying in the morgue. The one thing every dead person had in common in that place was he never thought he'd end up there. He never imagined his name would be penned in black ink in the big black book that is ominously omnipresent on a counter top in the autopsy suite.

I have seen hundreds, maybe close to a thousand dead bodies by now, many of them ruined by another person's hands. I return to the morgue at least two or three times a year to painfully remind myself that what I'm writing about is awful and final and real.

I suffer from nightmares and don't remember the last time I had a pleasant dream. I have very strong emotional responses to crimes that have nothing to do with me, such as Versace's murder, and more recently, the random shooting deaths of Capitol Police Agent John Gibson and Officer Jacob Chestnut. I can't read sad, scary or violent books. I watched only half of ''Titanic'' because I could not bear its sadness. I stormed out of Ann Rice's ''Interview With A Vampire,'' so furious my hands were shaking because the movie is such an outrageous trivialization and celebration of sexual violence. For me the suffering, the blood, the deaths are real.

I'd like to confront Ann Rice with bitemarks and other sadistic wounds that are not special effects. I'd like to sentence Oliver Stone to a month in the morgue, make him sit in the cooler for a while and see what an audience of victims has to say about his films. I'd like O.J. Simpson to have total recall and suffer, go broke, be ostracized, never be allowed on a golf course again. I was in a pub in London when that verdict was read. I'll never forget the amazed faces of a suddenly mute group of beer-drinking Brits, or the shame my friends and I felt because in America it is absolutely true. Justice is blind.

Justice has stumbled off the road of truth and fallen headlong into a thicket of subjective verdicts where evidence doesn't count and plea bargains that are such a bargain they are fire sales. I've begun to fear that the consequences and punishment of violent crime have become some sort of mindless multiple choice, a ''Let's Make A Deal,'' a ''Let's microwave the popcorn and watch Court TV.''

I have been asked to tell you what my fictional character Dr. Scarpetta would do if she were the crime czar or Virginia, of America. Since she and I share the same opinions and views, I am stepping out from behind my curtain of imagined deeds and characters and telling you what I feel and think.

It startles me to realize that at age 42, I have spent almost half my life studying crime, of living and working in it's pitifully cold, smelly, ugly environment. I am often asked why people cheat, rob, stalk, slander, maim and murder. How can anybody enjoy causing another human being or any living creature destruction and pain? I will tell you in three words: Abuse of power. Everything in life is about the power we appropriate for good or destruction, and the ultimate overpowering of a life is to make it suffer and end.

This includes children who put on camouflage and get into the family guns. We don't want to believe that 12, 13, 16 year old youths are unredeemable. Most of them aren't. But it's time we face that some of them have transgressed beyond forgiveness, certainly beyond trust. Not all victims I have seen pass through the morgue were savaged by adults. The creative cruelty of some young killers is the worst of the worst, images of what they did to their victims ones I wish I could delete.

About a year ago, I began researching juvenile crime for the follow-up of ''Hornet's Next'' (Southern Cross, January, '99) and my tenth Scarpetta book (unfinished and untitled yet). This was a territory I had yet to explore. I was inspired by the depressing fact that in the last ten years, shootings, holdups at ATM's, and premeditated murders committed by juveniles have risen 160 percent. As I ventured into my eleventh and twelfth novels, I wondered what my crusading characters would do with violent children.

So I spent months in Raleigh watching members of the Governor's Commission on Juvenile Crime and Justice debate and rewrite their juvenile crime laws, as Virginia did in 1995 under the leadership of Jim Gilmore. I quizzed Senator Orrin Hatch about his youth violence bill, S. 10, a federal approach to reforming a juvenile justice system that is failing our society. I toured detention homes in Richmond and elsewhere. I sat in on juvenile court cases and talked to inmates who were juveniles when they began their lives of crime.

While it is true that many violent juveniles have abuse, neglect, and the absence of values in their homes, I maintain my belief that all people should be held accountable for their actions. Our first priority should be to keep our communities safe. We must remove violent people from our midst, no matter their age. As Marcia Morey, executive director of North Carolina's juvenile crime commission, constantly preaches, ''We must stop the hemorrhage first.''

When the trigger is pulled, when the knife is plunged, kids aren't kids anymore. We should not shield and give excuses and probation to violent juveniles who, odds are, will harm or kill again if they are returned to our neighborhoods and schools. We should

not treat young violent offenders with sealed lips and exclusive proceedings.

''The secrecy and confidentiality of our system have hurt us,'' says Richmond Juvenile and Domestic Relations District Court Judge Kimberly O'Donnell. ''What people can't see and hear is often difficult for them to understand.''

Virginia has opened its courtrooms to the public, and Judge O'Donnell encourages people to sit in hers and see for themselves those juveniles who are remorseless and those who can be saved. Most juveniles who end up in court are not repeat offenders. But for that small number who threaten us most, I advocate hard, non-negotiable judgment. Most of what I would like to see is already being done in Virginia. But we need juvenile justice reform nationally, a system that is sensible and consistent from state to state.

As it is now, if a juvenile commits a felony in Virginia, when he turns 18 his record is not expunged and will follow him for the rest of his days. But were he to commit the same felony in North Carolina, at 16 he'll be released from a correctional facility with no record of any crime he committed in that state. Let's say he's back on the street and returns to Virginia. Now he's a juvenile again, and police, prosecutors, judges or juries will never know what he did in North Carolina.

If he moves to yet another state where the legal age is 21, he can commit felonies for three or four more years and have no record of them, either. Maybe by then he's committed fifteen felonies but is only credited with the one he committed in Virginia. Maybe when he becomes an adult and is violent again, he gets a light sentence or even probation, since it appears he's committed only one felony in his life instead of fifteen. He'll be back among us soon enough. Maybe his next victim will be you.

If national juvenile justice reform were up to me, I'd be strict. I would not be popular with extreme child advocates. If I had my way, it would be routine that when any juvenile commits a violent crime, his name and personal life are publicized. Records of juveniles who commit felonies should not be expunged when the individual becomes an adult. Mug shots, fingerprints and the DNA of violent juveniles should, at the very least, be available to police, prosecutors, and schools, and if they young violent offender has an extensive record and commits another crime, plea bargaining should be limited or at least informed.

Juveniles who rape, murder or commit other heinous acts should be tried as adults, but judges should have the discretionary power to decide when this is merited. I want to see more court-ordered restitution and mediation. Let's turn off the TV's in correctional centers and force assailants, robbers, thieves to work to pay back what they've destroyed and taken, as much as that is possible. Confront them with their victims, face to face. Perhaps a juvenile might realize the awful deed he's done if his victim is suddenly a person with feelings, loved ones, scars, a name.

Prevention is a more popular word than punishment. But the solution to what's happening in our society, particularly to our youths, is simpler and infinitely harder than any federally or privately funded program. All of us live in neighborhoods. Unless you are in solitary confinement or a coma, you are aware of others around you. Quite likely you are exposed to children who are sad, lost, ignored, neglected or abused. Try to help. Do it in person.

I remember my first few years in Richmond when I was living at Union Theological Seminary, where my former husband was a student and I was a struggling, somewhat failed writer. Charlie and I spent five years in a seminary apartment complex where there was a little boy who enjoyed throwing a tennis ball against the building in a staccato that was torture to me.

I was working on novels nobody wanted and every time that ball thunked against brick, I lost my train of thought. I'd popped out of my chair and fly outside to order the kid to stop, but somehow he was always gone without a trace, silence restored for an hour or two. One day I caught him. I was about to reprimand him when I saw the fear and loneliness in his eyes.

''What's your name?'' I asked.

''Eddie,'' he said.

''How old are you?''

''Ten.''

''It's not a good idea to throw a ball against the building. It makes it hard for some of us to work.''

''I know.'' He shrugged.

''If you know, then why do you do it?''

''Because I have no one to play catch with me,'' he replied.

My memory lit up with acts of kindness when I was a lonely child living in the small town of Montreat, North Carolina. Adult neighbors had taken time to play tennis with me. They had invited me, the only girl in town, to play baseball or touch football with the boys.

Billy Graham's wife, Ruth, used to stop her car to see how I was or if I needed a ride somewhere. Years later, she befriended me when I was a very confused teenager who felt rather worthless. Were it not for her kindness and encouragement, I doubt I would be writing this editorial. Maybe I wouldn't have amounted to much. Maybe I would have gotten into serious trouble. Maybe I'd be dead.

Eddie and I started playing catch. I gave him tennis lessons and probably ruined his backhand for life. He told me all about himself and amused me with his stories. We became pals. He never threw a tennis ball against the building again.

We must protect ourselves from all people who have proven to be dangerous. But we should never abandon those who can be helped or are at least are worthy of the effort. If you save or change one life, you have added something priceless to this world. You have left it better than you found it.

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

S. 255. A bill to combat waste, fraud, and abuse in payments for home health services provided under the Medicare program, and to improve the quality of those home health services; read twice.

HOME HEALTH INTEGRITY PRESERVATION ACT OF 1999

Mr. GRASSLEY. Mr. President, earlier today, I introduced the Home Health Integrity Preservation Act of 1999. I am pleased that Senator BREAUX cosponsored this bill, as he did when we introduced it in the 105th Congress. This legislation will be an important tool in combating the waste, fraud and abuse that has threatened the integrity of the Medicare home health benefit.

Although the majority of home health agencies are honest, legitimate, businesses, it is clear that there have been unscrupulous providers. In July 1997, the Senate Special Committee on Aging, which I chair, held a hearing on this topic. The hearing exposed serious rip-offs of the Medicare trust fund, and highlighted areas that need more stringent oversight.

In response to the hearing, Senator BREAUX and I followed up with a roundtable discussion on home health fraud. The roundtable brought together key players with a variety of perspectives. Participants included law enforcement, the Administration, and the home health industry.

The roundtable yielded a number of proposals which were shaped into draft legislation and circulated to a wide variety of stakeholders. In response to comments, the draft was changed to address legitimate concerns that were raised. The result is a balanced piece of legislation that includes important safeguards against fraud and abuse of the system, but does not stifle the growth of legitimate providers.

The Home Health Integrity Preservation Act of 1999 would do the following:

It would heighten scrutiny of new home health agencies before they enter the Medicare program, and during their early years of Medicare participation.

It would improve standards and screening for home health agencies, administrators and employees.

It would require audits of home health agencies whose claims exhibit unusual features that may indicate problems, and improve HCFA's ability to identify such features.

It would require agencies to adopt and implement fraud and abuse compliance programs.

It would increase scrutiny of branch offices, business entities related to home health agencies, and changes in operations.

It would make more information on particular home health agencies available to beneficiaries.

It would create an interagency Home Health Integrity Task Force, led by the Office of the Inspector General of Health and Human Services.

It would reform bankruptcy rules to make it harder for all Medicare providers, not just home health agencies, to avoid penalties and repayment obligations by declaring bankruptcy.

This legislation is an important step in ensuring that seniors maintain access to high quality home care services rendered by reputable providers. I urge my colleagues to join me in this effort by cosponsoring this important legislation.

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. 255

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 ''Home Health Integrity Preservation Act of 1999''.

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

SEC. 2. ADDITIONAL CONDITIONS OF PARTICIPATION FOR HOME HEALTH AGENCIES.

(a) QUALIFICATIONS OF MANAGING EMPLOYEES.—Section 1891(a) of the Social Security Act (42 U.S.C. 1395bbb(a)) is amended by adding at the end the following:

''(7) The agency shall have—

''(A) sufficient knowledge, as attested by the managing employees (as defined in section 1126(b)) of the agency (pursuant to subsection (c)(2)(C)(iv)(II)) using standards established by the Secretary, of the requirements for reimbursement under this title, coverage criteria and claims procedures, and the civil and criminal penalties for noncompliance with such requirements; and

''(B) managing employees with sufficient prior education or work experience, according to standards determined by the Secretary, in the delivery of health care.''.

(b) COMPLIANCE PROGRAM.—Section 1891(a) of the Social Security Act (42 U.S.C. 1395bbb(a)) (as amended by subsection (a)) is amended by adding at the end the following:

''(8) The agency has developed and implemented a fraud and abuse compliance program.''.

(c) AVAILABILITY OF SURVEY.—Section 1891(a) of the Social Security Act (42 U.S.C. 1395bbb(a)) (as amended by subsection (b)) is amended by adding at the end the following:

''(9) The agency, before the agency provides any home health services to a beneficiary, makes available to the beneficiary or the representative of the beneficiary a summary of the pertinent findings (including a list of any deficiencies) of the most recent survey of the agency relating to the compliance of such agency. Such summary shall be provided in a standardized format and may, at the discretion of the Secretary, also include other information regarding the agency's operations that are of potential interest to beneficiaries, such as the number of patients served by the agency.''.

(d) NOTICE OF NEW HOME HEALTH SERVICE, NEW BRANCH OFFICE, AND NEW JOINT VENTURE.—Section 1891(a)(2) of the Social Security Act (42 U.S.C. 1395bbb(a)(2)) is amended to read as follows:

''(2)(A) The agency notifies the agency's fiscal intermediary and the State entity responsible for the licensing or certification of the agency—

''(i) of a change in the persons with an ownership or control interest (as defined in section 1124(a)(3)) in the agency,

''(ii) of a change in the persons who are officers, directors, agents, or managing employees (as defined in section 1126(b)) of the agency,

''(iii) of a change in the corporation, association, or other company responsible for the management of the agency,

''(iv) that the agency is providing a category of skilled service that it was not providing at the time of the agency's most recent standard survey,

''(v) that the agency is operating a new branch office that was not in operation at the time of the agency's most recent standard survey, and

''(vi) that the agency is involved in a new joint venture with other health care providers or other business entities.

''(B) The notice required under subparagraph (A) shall be provided—

''(i) for a change described in clauses (i), (ii), and (iii) of such subparagraph, within 30 calendar days of the time of the change and shall include the identity of each new person or company described in the previous sentence,

''(ii) for a change described in clause (iv) of such subparagraph, within 30 calendar days of the time the agency begins providing the new service and shall include a description of the service,

''(iii) for a change described in clause (v) of such subparagraph, within 30 calendar days of the time the new branch office begins operations and shall include the location of the office and a description of the services that are being provided at the office, and

''(iv) for a change described in clause (vi) of such subparagraph, within 30 calendar days of the time the agency enters into the joint venture agreement and shall include a description of the joint venture and the participants in the joint venture.''.

SEC. 3. SURVEYOR TRAINING IN REIMBURSEMENT AND COVERAGE POLICIES.

Section 1891(d)(3) of the Social Security Act (42 U.S.C. 1395bbb(d)(3)) is amended—

(1) by striking ''relating to the performance'' and inserting ''relating to—

''(A) the performance'';

(2) by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(B) requirements for reimbursement and coverage of services under this title.''.

SEC. 4. SURVEYS AND REVIEWS.

(a) ADDITIONAL REQUIREMENTS FOR SURVEY.—Section 1891(c)(2)(C) of the Social Security Act (42 U.S.C. 1395bbb(c)(2)(C)) is amended—

(1) in clause (i)(I)—

(A) by striking ''purpose of evaluating'' and inserting ''purpose of—

''(aa) evaluating''; and

(B) by adding at the end the following:

''(bb) evaluating whether the individuals are homebound for purposes of qualifying for receipt of benefits for home health services under this title; and'';

(2) in clause (ii), by striking ''and'' at the end;

(3) in clause (iii), by striking the period at the end and inserting ''; and''; and

(4) by adding at the end the following:

''(iv) shall include—

''(I) an assessment of whether the agency is in compliance with all of the conditions of participation and requirements specified in or pursuant to section 1861(o), this section, and this title;

''(II) an assessment that the managing employees (as defined in section 1126(b)) of the agency have attested in writing to having sufficient knowledge, as determined by the Secretary, of the requirements for reimbursement under this title, coverage criteria and claims procedures, and the civil and criminal penalties for noncompliance with such requirements; and

''(III) a review of the services provided by subcontractors of the agency to ensure that such services are being provided in a manner consistent with the requirements of this title.''.

(b) ADDITIONAL EVENTS TRIGGERING A SURVEY.—Section 1891(c)(2)(B) of the Social Security Act (42 U.S.C. 1395bbb(c)(2)(B)) is amended—

(1) by striking ''and'' at the end of clause (i);

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding at the end the following:

''(iii) shall be conducted not less than annually for the first 2 years after the initial standard survey of the agency,

''(iv) after the agency's first 2 years of participation under this title, shall be conducted within 90 calendar days of the date that the agency notifies the Secretary that it is providing a category of skilled service that the agency was not providing at the time of the agency's most recent standard survey,

''(v) if the agency is operating a new branch office that was not in operation at the time of the agency's most recent standard survey, shall be conducted within the 12-month period following the date that the new branch office began operations to ensure that such office is providing quality care and that it is appropriately classified as a branch office, and shall include direct scrutiny of the operations of the branch office, and

''(vi) shall be conducted on randomly selected agencies on an occasional basis, with the number of such surveys to be determined by the Secretary.''.

(c) REVIEW BY FISCAL INTERMEDIARY.—Section 1816 of the Social Security Act (42 U.S.C. 1395h) is amended by adding at the end the following:

''(m) An agreement with an agency or organization under this section shall require that the agency or organization conduct a review of the overall business structure of a home health agency submitting a claim for reimbursement for home health services, including any related organizations of the home health agency.''.

SEC. 5. PRIOR PATIENT LOAD.

Section 1891 of the Social Security Act (42 U.S.C. 1395bbb) is amended by adding at the end the following:

''(h) PRIOR PATIENT LOAD.—

''(1) IN GENERAL.—The Secretary shall not enter into an agreement for the first time with a home health agency to provide items and services under this title unless the Secretary determines that, before the date the agreement is entered into, the agency—

''(A) had been in operation for at least 60 calendar days; and

''(B) had at least 10 patients during that period of prior operation.

''(2) EXCEPTIONS.—

''(A) BENEFICIARY ACCESS.—If the Secretary determines appropriate, the Secretary may waive the requirements of paragraph (1) in order to establish or maintain beneficiary access to home health services in an area.

''(B) CHANGE OF OWNERSHIP.—The requirements of paragraph (1) shall not apply to a home health agency at the time of a change in ownership of such agency.''.

SEC. 6. ESTABLISHMENT OF STANDARDS AND PROCEDURES TO IMPROVE QUALITY OF SERVICES.

(a) IN GENERAL.—Section 1891 of the Social Security Act (42 U.S.C. 1395bbb) (as amended by section 5) is amended by adding at the end the following:

''(i) ESTABLISHMENT OF STANDARDS AND PROCEDURES.—

''(1) SCREENING OF EMPLOYEES.—The Secretary shall establish procedures to improve the background screening performed by a home health agency on individuals that the agency is considering hiring as home health aides (as defined in subsection (a)(3)(E)) and licensed health professionals (as defined in subsection (a)(3)(F)).

''(2) COST REPORTS.—The Secretary shall establish additional procedures regarding the requirement for attestation of cost reports to ensure greater accountability on the part of a home health agency and its managing employees (as defined in section 1126(b)) for the accuracy of the information provided to the Secretary in any such cost reports.

''(3) MONITORING AGENCY AFTER EXTENDED SURVEY.—The Secretary shall establish procedures to ensure that a home health agency

that is subject to an extended (or partial extended) survey is closely monitored from the period immediately following the extended survey through the agency's subsequent standard survey to ensure that the agency is in compliance with all the conditions of participation and requirements specified in or pursuant to section 1861(o), this section, and this title.

''(4) ADDITIONAL AUDITS.—

''(A) IN GENERAL.—

''(i) STANDARDS.—The Secretary shall establish objective standards regarding the determination of—

''(I) whether an agency is a home health agency described in subparagraph (B); and

''(II) the circumstances that trigger an audit for a home health agency described in subparagraph (B), and the content of such an audit.

''(ii) INFORMATION.—In establishing standards under clause (i), the Secretary shall ensure that the individuals performing the audits under this section are provided with the necessary information, including information from intermediaries, carriers, and law enforcement sources, in order to determine if a particular home health agency is an agency described in subparagraph (B) and whether the circumstances triggering an audit for such an agency has occurred.

''(B) AGENCY DESCRIBED.—A home health agency is described in this subparagraph if it is an agency that has—

''(i) experienced unusually rapid growth as compared to other home health agencies in the area and in the country;

''(ii) had unusually high utilization patterns as compared to other home health agencies in the area and in the country;

''(iii) unusually high costs per patient as compared to other home health agencies in the area and in the country;

''(iv) unusually high levels of overpayment or coverage denials as compared to other home health agencies in the area and in the country; or

''(v) operations that otherwise raise concerns such that the Secretary determines that an audit is appropriate.

''(5) BRANCH OFFICES.—

''(A) SURVEYS.—The Secretary shall establish standards for periodic surveys of branch offices of a home health agency in order to assess whether the branch offices meet the Secretary's national criteria for branch office designation and for quality of care. Such surveys shall include home visits to beneficiaries served by the branch office (but only with the consent of the beneficiary).

''(B) UNIFORM NATIONAL DEFINITION.—The Secretary shall establish a uniform national definition of a branch office of a home health agency.

''(6) CERTAIN QUALIFICATIONS OF MANAGING EMPLOYEES.—The Secretary shall establish standards regarding the knowledge and prior education or work experience that a managing employee (as defined in section 1126(b)) of an agency must possess in order to comply with the requirements described in subsection (a)(7).

''(7) CLAIMS PROCESSING.—

''(A) IN GENERAL.—The Secretary shall establish standards to improve and strengthen the procedures by which claims for reimbursement by home health agencies are identified as being fraudulent, wasteful, or abusive.

''(B) PROCEDURES.—The standards established by the Secretary pursuant to subparagraph (A) shall include, to the extent practicable, standards for a minimum number of—

''(i) intensive focused medical reviews of the services provided to beneficiaries by an agency;

''(ii) interviews with beneficiaries, employees of the agency, and other individuals providing services on behalf of the agency; and

''(iii) random spot checks of visits to a beneficiary's home by employees of the agency (but only with the consent of the beneficiary).

''(C) REPORT TO CONGRESS.—Not later than 90 days after the date of enactment of the Home Health Integrity Preservation Act of 1999, the Secretary shall submit a report to Congress containing a detailed description of—

''(i) the current levels of activity by the Secretary with regard to the reviews, interviews, and spot checks described in subparagraph (B); and

''(ii) the Secretary's plans to increase those levels pursuant to the procedures described in subparagraphs (A) and (B).

''(8) EXPANSION OF FINANCIAL STATEMENT.—The Secretary shall establish procedures to expand the financial statement audit process to include compliance and integrity reviews.''.

(b) EFFECTIVE DATE.—By not later than 180 calendar days after the date of enactment of this Act, the Secretary shall establish the standards and procedures described in paragraphs (1) through (8) of section 1891(i) of the Social Security Act (42 U.S.C. 1395bbb(i)) (as added by subsection (a)) by regulation or other sufficient means.

SEC. 7. NOTIFICATION OF AVAILABILITY OF A HOME HEALTH AGENCY'S MOST RECENT SURVEY AS PART OF DISCHARGE PLANNING PROCESS.

Section 1861(ee)(2)(D) of the Social Security Act (42 U.S.C. 1395x(ee)(2)(D)) (as amended by section 4321(a) of the Balanced Budget Act of 1997) is amended—

(1) by striking ''including the availability'' and inserting ''including—

''(i) the availability''; and

(2) by inserting before the period the following: ''; and

''(ii) the availability of (and procedures for obtaining from a home health agency) a summary document described in section 1891(a)(9)''.

SEC. 8. HOME HEALTH INTEGRITY TASK FORCE.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall establish within the Office of the Inspector General of the Department of Health and Human Services a home health integrity task force (in this section referred to as the ''Task Force'').

(b) DIRECTOR.—The Inspector General of the Department of Health and Human Services shall appoint the Director of the Task Force.

(c) DUTIES.—The Task Force shall target, investigate, and pursue any available civil or criminal actions against individuals who organize, direct, finance, or are otherwise engaged in fraud in the provision of home health services (as defined in section 1861(m) of the Social Security Act (42 U.S.C. 1395x(m))) under the medicare program under such Act.

(d) OUTSIDE AGENCIES AND ENTITIES.—In carrying out the duties described in subsection (c), the Task Force shall work in coordination with other Federal, State, and local agencies, including the Health Care Financing Administration, and with private entities. All Federal, State, and local employees and all private entities are encouraged to provide maximum cooperation to the Task Force.

SEC. 9. APPLICATION OF CERTAIN PROVISIONS OF THE BANKRUPTCY CODE.

(a) RESTRICTED APPLICABILITY OF BANKRUPTCY STAY, DISCHARGE, AND PREFERENTIAL TRANSFER PROVISIONS TO CERTAIN MEDICARE DEBTS.—Title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by inserting after section 1143 the following:

''APPLICATION OF CERTAIN PROVISIONS OF THE BANKRUPTCY CODE

''SEC. 1144. (a) CERTAIN MEDICARE ACTIONS NOT STAYED BY BANKRUPTCY PROCEEDINGS.—The commencement or continuation of any action against a debtor (as defined in subsection (d)) under this title or title XVIII, including any action or proceeding to exclude or suspend such debtor from program participation, assess civil monetary penalties, recoup or set off overpayments, or deny or suspend payment of claims shall not be subject to a stay under section 362(a) of title 11, United States Code.

''(b) CERTAIN MEDICARE DEBT NOT DISCHARGEABLE IN BANKRUPTCY.—A debt owed to the United States or to a State by a debtor for an overpayment under title XVIII, or for a penalty, fine, or assessment under this title or title XVIII, shall not be dischargeable under any provision of title 11, United States Code.

''(c) REPAYMENT OF CERTAIN DEBTS CONSIDERED FINAL.—Payments made to repay a debt to the United States or to a State by a debtor with respect to items and services provided, or claims for payment made for such items and services, under title XVIII (including repayment of an overpayment), or to pay a penalty, fine, or assessment under this title or title XVIII, shall be considered final and not avoidable transfers under section 547 of title 11, United States Code.

''(d) DEBTOR DEFINED.—In this section, the term 'debtor' means a provider of services (as defined in section 1861(u)) that has commenced a case under title 11, United States Code.''.

(b) MEDICARE RULES APPLICABLE TO BANKRUPTCY PROCEEDINGS OF A MEDICARE PROVIDER OF SERVICES.—Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is amended by adding at the end the following:

''APPLICATION OF PROVISIONS OF THE BANKRUPTCY CODE

''SEC. 1897. (a) USE OF MEDICARE STANDARDS AND PROCEDURES.—Notwithstanding any provision of title 11, United States Code, or any other provision of law, in the case of claims by a debtor (as defined in section 1144(d)) for payment under this title, the determination of whether the claim is allowable, and of the amount payable, shall be made in accordance with the provisions of this title, title XI, and implementing regulations.

''(b) NOTICE TO CREDITOR OF BANKRUPTCY PETITIONER.—In the case of a debt owed by a debtor (as so defined) to the United States with respect to items and services provided, or claims for payment made, under this title (including a debt arising from an overpayment or a penalty, fine, or assessment under title XI or this title), the notices to the creditor of bankruptcy petitions, proceedings, and relief required under title 11, United States Code (including under section 342 of that title and rule 2002(j) of the Federal Rules of Bankruptcy Procedure), shall be given to the Secretary. Provision of such notice to a fiscal agent of the Secretary shall not be considered to satisfy this requirement.

''(c) TURNOVER OF PROPERTY TO THE BANKRUPTCY ESTATE.—For purposes of section 542(b) of title 11, United States Code, a claim for payment under this title shall not be considered to be a matured debt payable to the estate of a debtor (as so defined) until such claim has been allowed by the Secretary in accordance with procedures established under this title.''.

SEC. 10. STUDY AND REPORT TO CONGRESS.

(a) STUDY.—

(1) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall conduct a study on all matters relating to the appropriate home health services to be provided under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) to individuals with chronic conditions.

(2) MATTERS STUDIED.—The matters studied by the Secretary shall include—

(A) methods to strengthen the role of a physician in developing a plan of care for a beneficiary receiving home health benefits under this title; and

(B) the need for an individual or entity (other than the home health agency or the beneficiary's physician) to have responsibility for approving the type and quantity of home health services provided to the beneficiary.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit a report to Congress on the study conducted under subsection (a). The Secretary shall include in the report such recommendations regarding the utilization of home health services under the medicare program as the Secretary determines to be appropriate.

SEC. 11. EFFECTIVE DATE.

Except as otherwise provided in this Act, the amendments made by this Act shall take effect on the expiration of the date that is 180 calendar days after the date of enactment of this Act.

By Mr. GRASSLEY (for himself, Mr. BREAUX, and Mr. CONRAD):

S. 256. A bill to amend title XVIII of the Social Security Act to promote the use of universal product numbers on claims forms submitted for reimbursement under the Medicare program; read twice.

MEDICARE UNIVERSAL PRODUCT NUMBER ACT OF 1999

Mr. GRASSLEY. Mr. President, on behalf of Senator BREAUX and myself, I am introducing legislation today to require the use of universal product numbers (UPNs) for all durable medical equipment (DME) Medicare purchases. A similar bipartisan bill was introduced in the House of Representatives by Representatives AMO HOUGHTON and LOUISE SLAUGHTER. The purpose of this legislation is to improve the Health Care Financing Administration's (HCFA) ability to track and to appropriately assess the value of the durable medical equipment it pays for under the Medicare program. Very simply, our bill will ensure Medicare gets what it pays for.

According to a report by the General Accounting Office (GAO) and the Office of Inspector General's review of billing practices for specific medical supplies, the Medicare program is often paying greater than the market price for durable medical equipment and Medicare beneficiaries are not receiving the quality of care they should. HCFA currently does not require DME suppliers to identify specific products on their Medicare claims. Therefore it does not know for which products it is paying. HCFA's billing codes often cover a broad range of products of various types, qualities and market prices. For example, the GAO found that one Medicare billing code is used by the industry for more than 200 different urological catheters, with many of these products varying significantly in price, use, and quality.

Medicare's inability to accurately track and price medical equipment and supplies it purchases could be remedied with the use of product specific codes known as ''bar codes'' or ''universal product numbers'' (UPNs). These codes are similar to the codes you see on products you purchase at the grocery store. Use of such bar codes is already being required by the Department of Defense and several large private sector purchasing groups. The industry strongly supports such an initiative as well. I am submitting several letters of endorsement for the record on behalf of the National Association for Medical Equipment Services, the Health Industry Distributors Association, Premier Inc., and a joint letter from industry groups such as the Health Industry Business Communications Council, Healthcare EDI Coalition, Health Industry Purchasing Association, and Invacare Corporation.

This bill represents a common sense approach. It will improve the way Medicare monitors and reimburses suppliers for medical equipment and supplies. Patients will receive better care. And the Federal Government will save money. I ask that my colleagues on both sides of the aisle support this legislation which I am introducing today with my friend and colleague, Senator BREAUX.

I ask unanimous consent that a copy of the bill and the letters of endorsement be printed in the RECORD.

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

S. 256

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 ''Medicare Universal Product Number Act of 1999''.

SEC. 2. UNIVERSAL PRODUCT NUMBERS ON CLAIMS FORMS FOR REIMBURSEMENT UNDER THE MEDICARE PROGRAM.

(a) ACCOMMODATION OF UPNs ON MEDICARE CLAIMS FORMS.—Not later than February 1, 2001, all claims forms developed or used by the Secretary of Health and Human Services for reimbursement under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) shall accommodate the use of universal product numbers for a UPN covered item.

(b) REQUIREMENT FOR PAYMENT OF CLAIMS.—Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is amended by adding at the end the following:

''USE OF UNIVERSAL PRODUCT NUMBERS

''SEC. 1897. (a) IN GENERAL.—No payment shall be made under this title for any claim for reimbursement for any UPN covered item unless the claim contains the universal product number of the UPN covered item.

''(b) DEFINITIONS.—In this section:

''(1) UPN COVERED ITEM.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'UPN covered item' means—

''(i) a covered item as that term is defined in section 1834(a)(13);

''(ii) an item described in paragraph (8) or (9) of section 1861(s);

''(iii) an item described in paragraph (5) of section 1861(s); and

''(iv) any other item for which payment is made under this title that the Secretary determines to be appropriate.

''(B) EXCLUSION.—The term 'UPN covered item' does not include a customized item for which payment is made under this title.

''(2) UNIVERSAL PRODUCT NUMBER.—The term 'universal product number' means a number that is—

''(A) affixed by the manufacturer to each individual UPN covered item that uniquely identifies the item at each packaging level; and

''(B) based on commercially acceptable identification standards such as, but not limited to, standards established by the Uniform Code Council–International Article Numbering System or the Health Industry Business Communication Council.''.

(c) DEVELOPMENT AND IMPLEMENTATION OF PROCEDURES.—

(1) INFORMATION INCLUDED IN UPN.—The Secretary of Health and Human Services, in consultation with manufacturers and entities with appropriate expertise, shall determine the relevant descriptive information appropriate for inclusion in a universal product number for a UPN covered item.

(2) REVIEW OF PROCEDURE.—From the information obtained by the use of universal product numbers on claims for reimbursement under the medicare program, the Secretary of Health and Human Services, in consultation with interested parties, shall periodically review the UPN covered items billed under the Health Care Financing Administration Common Procedure Coding System and adjust such coding system to ensure that functionally equivalent UPN covered items are billed and reimbursed under the same codes.

(d) EFFECTIVE DATE.—The amendment made by subsection (b) shall apply to claims for reimbursement submitted on and after February 1, 2002.

SEC. 3. STUDY AND REPORTS TO CONGRESS.

(a) STUDY.—The Secretary of Health and Human Services shall conduct a study on the results of the implementation of the provisions in subsections (a) and (c) of section 2 and the amendment to the Social Security Act in subsection (b) of that section.

(b) REPORTS.—

(1) PROGRESS REPORT.—Not later than 6 months after the date of enactment of this Act, the Secretary of Health and Human Services shall submit a report to Congress that contains a detailed description of the progress of the matters studied pursuant to subsection (a).

(2) IMPLEMENTATION.—Not later than 18 months after the date of enactment of this Act, and annually thereafter for 3 years, the Secretary of Health and Human Services shall submit a report to Congress that contains a detailed description of the results of the study conducted pursuant to subsection (a), together with the Secretary's recommendations regarding the use of universal product numbers and the use of data obtained from the use of such numbers.

SEC. 4. DEFINITIONS.

In this Act:

(1) UPN COVERED ITEM.—The term ''UPN covered item'' has the meaning given such term in section 1897(b)(1) of the Social Security Act (as added by section 2(b)).

(2) UNIVERSAL PRODUCT NUMBER.—The term ''universal product number'' has the meaning given such term in section 1897(b)(2) of the Social Security Act (as added by section 2(b)).

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

The are authorized to be appropriated such sums as may be necessary for the purpose of carrying out the provisions in subsections (a) and (c) of section 2, section 3, and section 1897 of the Social Security Act (as added by section 2(b)).

JANUARY 19, 1999.

Hon. CHARLES GRASSLEY,
Chairman, Special Committee on Aging,
U.S. Senate, Washington, DC.

Hon. JOHN BREAUX,
Ranking Minority Member, Special Committee on Aging, U.S. Senate, Washington, DC.

DEAR SENATORS GRASSLEY AND BREAUX: We applaud you for introducing the Medicare Universal Product Number Act, which will require the inclusion of universal product numbers (UPNs) on Medicare Part B billings for medical equipment and supplies that are not customized. UPNs are codes that uniquely identify an individual medical product; they are often associated with the bar codes that allow scanners to process them. These codes are a major enabling factor in our efforts to minimize fraudulent billings and to automate the distribution process.

The Department of Defense (DoD) and the Veterans Administration have already taken a leadership position in promoting the implementation of the industry standard of UPNs. As a part of the decision to use commercial medical product distributors, the DoD has mandated the use of UPNs for all medical/surgical products delivered to DoD facilities. The VA is prepared to implement a similar requirement this year. Most private sector group purchasing organizations also require the use of UPNs.

We believe that the Medicare Program would also benefit greatly from the use of UPNs. By cross-referencing each UPN with the current HCFA Common Procedure Coding System (HCPCS) and requiring the inclusion of the UPN on each Medicare Part B claim for medical equipment and supplies, Medicare's ability to track utilization and combat fraud and abuse would be greatly enhanced. As UPNs provide a unique, unambiguous means of identifying medical products, Medicare would have an exact record of the specific product used by the beneficiary. For the first time, the Medicare Program could identify precisely what items are being billed. Unusual trends in product utilization and claims for ''suspicious'' items would be easily identifiable. HCPCS alone cannot provide this information, as many products of varying quality and cost are included in a single code.

In addition, problems with ''upcoding'' and miscoding could be greatly reduced through the implementation of UPNs. Upcoding occurs when Medicare is intentionally billed under a code that provides a higher reimbursement than the code corresponding to the item that was furnished to the beneficiary. Currently, upcoding is difficult to detect because HCPCS are so inexact. UPNs would correctly identify the specific medical product, thereby making it harder to misrepresent the cost and quality of the product. In addition, by cross-referencing each UPN to the appropriate HCPCS, legitimate confusion about HCFA's current coding system would be alleviated. As the General Accounting Office has reported (GAO/HEHS–98–102), the HCPCS system is needlessly ambiguous.

We believe that the Medicare Program and medical products industry would benefit greatly from the use of UPNs. This standard would not only increase Medicare's understanding of what it pays for, but also assist in the effective administration of the Program.

Again, thank you for introducing the Medicare Universal Product Number Act.

Sincerely,

Health Industry Business Communications Council.
Healthcare EDI Coalition.
Health Industry Distributors Association.
Health Industry Group Purchasing Association.
National Association for Medical Equipment Services.
Invacare Corp.
Premier Inc.

NATIONAL ASSOCIATION FOR
MEDICAL EQUIPMENT SERVICES,
Alexandria, VA, January 12, 1999.

Hon. CHARLES GRASSLEY,
Hon. JOHN BREAUX,
U.S. Senate,
Special Committee on Aging.

DEAR SENATORS GRASSLEY AND BREAUX: As you know, the National Association for Medical Equipment Services (NAMES) was pleased to endorse your bill, The Medicare Universal Product Number Act of 1997, S. 1362 in the 105th Congress. We understand you will re-introduce this bill in substantially the same form in the 106th Congress, and so, in concept, support that legislation.

Requiring universal product numbers on home medical equipment for product labeling and billing purposes would accomplish two key objectives. First, it would improve home medical equipment inventory control by creating a unique numbering system that easily permits computerized optical scanning of product information. Second, it would provide third-party payers with more information on equipment characteristics than does the current HCPCS coding system, thus allowing reimbursement rates to be set more appropriately.

While equipment manufacturers and retailers would need time to comply with the bill, we note that S. 1362 provided more than two years for compliance to be attained. We look forward to working with you as this bill proceeds through the legislative process.

Sincerely,

WILLIAM D. COUGHLAN, CAE,
President and
Chief Executive Officer.

HEALTH INDUSTRY
DISTRIBUTORS ASSOCIATION,
Alexandria, VA, January 11, 1999.

Hon. CHARLES GRASSLEY,
Chairman, Special Committee on Aging,
U.S. Senate, Washington, DC.

Hon. JOHN BREAUX,
Ranking Minority Member, Special Committee on Aging, U.S. Senate, Washington, DC.

DEAR SENATORS GRASSLEY AND BREAUX: On behalf of the Health Industry Distributors Association (HIDA), I applaud you for introducing the Medicare Universal Product Number Act. HIDA is the national trade association of home care companies and medical products distribution firms. Created in 1902, HIDA represents over 700 companies with approximately 2500 locations nationwide. HIDA Members provide value-added distribution services to virtually every hospital, physician's office, nursing facility, clinic, and other health care sites across the country, as well as to a growing number of home care patients.

HIDA has long supported the use of UPNs for medical equipment and supplies. By providing a standard, unique identifier for each product, UPNs supply the information needed to minimize fraudulent billings and streamline the health care product distribution process. The Department of Defense (DoD) has already recognized the many benefits resulting from the implementation of the industry standard of UPNs. As a part of their decisions to use commercial medical product distributors, DoD has mandated the use of UPNs for all medical/surgical products delivered to DoD facilities.

The Medicare Program could also benefit greatly from the use of UPNs. By using UPNs, the Medicare system would be able to correctly identify the specific items they are paying for, a crucial piece of information that the agency is now missing. As UPNs provide a unique, unambiguous means of identifying each product on the market, Medicare would have an exact record of the specific product used by each beneficiary. Unusual trends in product utilization and claims for ''suspicious'' items would be easily identifiable. The HCFA Common Procedure Coding System (HCPCS) can not provide this information, because many products of varying quality and cost are included in a single code.

In addition, problems with ''upcoding'' and miscoding could be greatly reduced through the implementation of UPNs. Upcoding occurs when Medicare is intentionally billed under a code that provides a higher reimbursement than the code corresponding to the item that was actually furnished to the beneficiary. Currently, upcoding is difficult to detect because HCPCS are so inexact. UPNs would correctly identify the specific medical product, thereby making it harder to misrepresent the cost and quality of the product. In addition, by cross-referencing each UPN to the appropriate HCPCS, legitimate confusion about HCFA's current coding system would be alleviated. As the General Accounting Office has reported (GAO/HEHS–98–102), the HCPCS system is needlessly ambiguous.

HIDA firmly believes that the Medicare Program and the medical equipment industry would benefit greatly from the use of UPNs. This standard would not only increase Medicare's understanding of what it pays for, but also assist in the effective administration of the Program.

Again, thank you for introducing the Medical Universal Product Number Act.

Sincerely,

S. WAYNE KAY.

PREMIER,
Washington, DC, January 20, 1999.

Hon. CHARLES GRASSLEY,
Hon. JOHN BREAUX,
U.S. Senate, Special Committee on Aging,
Washington, DC.

DEAR SENATORS GRASSLEY AND BREAUX: On behalf of Premier, Inc., the nation's largest healthcare alliance, I am pleased to support the ''Medicare Universal Product Number Act.'' The bill requires the use of universal product numbers (UPNs) for all durable medical equipment Medicare purchases by 2002.

Premier represents more than 200 owner hospitals and hospital systems that own or operate 800 healthcare institutions and have purchasing affiliations with another 1,100. Premier owners operate hospitals, HMOs and PPOs, skilled nursing facilities, rehabilitation facilities, home health agencies, and physician practices. Through participation in Premier, healthcare leaders can access cost reduction avenues, delivery system development and enhancement strategies, technology management, decision support tools, and a variety of opportunities for networking and knowledge transfer.

Premier welcomes federal government leadership in requiring manufacturers to label their products at each unit of inventory with a universal product number by the year 2002. The U.S. General Accounting Office (GAO) recommended in a May 1998 report to Congress that HCFA require suppliers include UPNs on their Medicare claims. This

requirement will not only aid the Medicare program, but also will help the private sector reduce healthcare costs. A recent study conducted by Efficient Healthcare Consumer Response on improving the efficiency of the healthcare supply chain concluded that $11.6 billion could be saved through automation and integration of the product information stream from point of manufacture to point of use across the industry. UPN is a major component within that potential remarkable savings stream. Therefore, we believe that UPN will become as important to the medical industry as other bar code standards have become to grocery and other retail industries for many years.

This bill represents a common sense approach to reducing healhcare costs in the United States. Thank you Senators GRASSLEY and BREAUX for your leadership on this issue and we look forward to assisting you with your efforts to enact this legislation into law.

Sincerely,

JAMES L. SCOTT,
President.

Mr. BREAUX. Mr. President, I rise to commend Senator GRASSLEY for his leadership on the important issue of cutting waste, fraud and abuse in the Medicare program. As chairman of the National Bipartisan Commission on the Future of Medicare, I strongly support our legislation that will save federal dollars by modernizing an outdated and confusing billing system. The Medicare Universal Product Number Act of 1999 is a practical solution which will ensure that the Health Care Financing Administration (HCFA) knows what it is paying for when reimbursing for durable medical equipment (DME) under the Medicare program.

Currently, HCFA's billing system uses overly broad and sometimes outdated codes. These codes can cover a wide range of products which vary in price and quality, making it difficult for HCFA to track and price medical equipment accurately. By using Universal Product Numbers (UPNs), which provide a unique, unambiguous means of identifying each product on the market, HCFA will be able to track utilization more efficiently.

Because UPNs are unique identifiers, HCFA will be better equipped in combating fraud against the Medicare program. Currently the system is vulnerable to a type of fraud called ''upcoding.'' This occurs when Medicare is billed for a product under an improper code. Perpetrators of fraud can use improper codes to receive higher reimbursement rates then those given for the products which they actually provide. By tracking utilization, made possible by UPNs, HCFA will know what product is provided to the beneficiary and how much that product costs.

There is widespread support for the use of UPNs in the Medicare program. A recent GAO report addresses the need to reform Medicare's billing system. The report found that HCFA ''does not know specifically what Medicare is paying for when its contractors process claims for'' medical equipment and supplies. The Department of Defense and the Veterans' Administration have already begun to require UPNs, as do many private sector purchasing groups. Moreover, the medical products industry recognizes the value of UPNs and strongly supports this legislation.

Medicare's current billing system is vulnerable to abuse. This legislation is a practical approach to help ensure that taxpayer dollars are protected and spent wisely. I thank Senator GRASSLEY for his leadership, and I encourage my colleagues to support this important legislation.

By Mr. COCHRAN (for himself, Mr. INOUYE, and Mr. HAGEL):

S. 257. A bill to state the policy of the United States regarding the deployment of a missile defense capable of defending the territory of the United States against limited ballistic missile attack; to the Committee on Armed Services.

NATIONAL MISSILE DEFENSE ACT OF 1999

Mr. COCHRAN. Mr. President, I am pleased to announce today we are introducing, again, the National Missile Defense Act of 1999, a bill to make it the policy of the United States to deploy, as soon as technologically possible, a system to defend the United States against limited ballistic missile attack. I am happy to be joined by my friend, the distinguished Senator from Hawaii, Mr. INOUYE, in introducing this bill. And I am pleased that we have just heard that the Secretary of Defense has announced that funds will be included in this year's budget to pay for deployment of the National Missile Defense System, acknowledging that the threat does exist, or soon will. So the administration is changing its policy now, faced with this push that was begun in the last Congress and is culminating now in the reintroduction of this legislation.

Ballistic missiles are being developed and tested by a growing number of nations, some of which are hostile to the United States.

Iran has declared itself self-sufficient in missile technology and expertise. It is building a missile system capable of striking Central Europe.

Last year, North Korea surprised experts with its test of the Taepo Dong-1, a three-stage missile which, according to published reports, may be capable of reaching Alaska. Last July, the Rumsfeld Commission concluded that the United States may have ''little or no warning'' of the development of intercontinental ballistic missile capability by a rogue state.

The United States has no defense against long-range ballistic missiles, and administration policy had been limited to development of a missile defense system and deployment only if a threat developed. Now the threat has become obvious to the administration.

I welcome the announcement this morning by the Secretary of Defense that the administration is acknowledging the need to proceed with a program to develop a missile defense system to meet this threat and to deploy it. The time has come to remove all doubts about the resolve of the United States on this issue. The National Missile Defense Act of 1999 confirms this resolve as national policy.

Mr. COVERDELL. I thank the Senator from Mississippi and now turn to the Senator from Nebraska and yield up to 5 minutes to the distinguished Senator.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. HAGEL. Mr. President, I wish to associate myself with the remarks of my colleagues here this morning. I also wish to commend my friend, the senior Senator from Mississippi, for reintroducing his defense initiative. Missile defense is as critical a challenge as this country faces, not just for the short term, but for the long term, and I have been a strong proponent of what Senator COCHRAN is proposing. I wish, again, to be a cosponsor of that measure.

By Mr. MCCAIN (for himself, Mr. LEVIN, and Mr. ROBB):

S. 258. A bill to authorize additional rounds of base closures and realignments under the Defense Base Closure and Realignment Act of 1990 in 2001 and 2003, and for other purposes; to the Committee on Armed Services.

LEGISLATION TO AUTHORIZE TWO BASE REALIGNMENT AND CLOSURE ROUNDS TO OCCUR IN 2001 AND 2003

Mr. MCCAIN. Mr. President, I rise today to introduce legislation that authorizes two rounds of U.S. military installation realignment and closures to occur in 2001 and 2003. I am pleased to have Senator LEVIN and Senator ROBB as cosponsors of this bill.

Mr. President, we have heard over the last 4 months of the dire situation of our military forces. We have heard testimony of plunging readiness, modernization programs that are decades behind schedule, and quality of life deficiencies that are so great we cannot retain or recruit the personnel we need. As a result of this realization, there has been a groundswell of support in Congress for the Armed Forces, including a number of pay and retirement initiatives and the promise of a significant increase in defense spending.

All of these proposals are excellent starting points to help re-forge our military, but we must not forget that much of it will be in vain if the Department of Defense is obligated to maintain 23 percent excess capacity in infrastructure. When we actually look for the dollars to pay for these initiatives, it is unconscionable that some would not look to the billions of dollars to be saved by base realignment and closure. Secretary Cohen and the Joint Chiefs of Staff have stated repeatedly that they desire more opportunities to streamline the military's infrastructure. We cannot sit idly by and throw money and ideas at the problem when part of the solution is staring us in the face.

This proposed legislation offers two significant changes to present law. First, the process for the first round in 2001 is moved back two months to ensure there is no conflict of interest with a commission nominated under one administration but effectively working under the direction of the follow-on administration. Second, under this legislation, privatization in-place would be permitted only when explicitly recommended by the Commission. Additionally, the Secretary of Defense must consider local government input in preparing his list of desired base closures.

Total BRAC savings realized from the four previous rounds exceed total costs to date. The annual net savings for previous rounds will grow from almost $3 billion last year to $5.6–7.0 billion per year by 2001. These savings are real, they are coming sooner, and they are estimated to be greater than anticipated.

Mr. President, we can continue to maintain a military infrastructure that we do not need, or we can provide the necessary funds to ensure our military can fight and win future wars. Every dollar we spend on bases we do not need is a dollar we cannot spend on training our troops, keeping personnel quality of life at an appropriate level, maintaining force structure, replacing old weapons systems, and advancing our military technology.

We must finish the job we started by authorizing these two final rounds of base realignment and closure. I urge my colleagues to join us in support of this critical bill and to work diligently throughout the year to put aside local politics for what is clearly in the best interest of our military forces.

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

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

S. 258

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

SECTION 1. AUTHORITY TO CARRY OUT BASE CLOSURE ROUNDS IN 2001 AND 2003.

(a) COMMISSION MATTERS.—

(1) APPOINTMENT.—Subsection (c)(1) of section 2902 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(A) in subparagraph (B)—

(i) by striking ''and'' at the end of clause (ii);

(ii) by striking the period at the end of clause (iii) and inserting a semicolon; and

(iii) by adding at the end the following new clauses (iv) and (v):

''(iv) by no later than March 1, 2001, in the case of members of the Commission whose terms will expire at the end of the first session of the 107th Congress; and

''(v) by no later than January 3, 2003, in the case of members of the Commission whose terms will expire at the end of the first session of the 108th Congress.''; and

(B) in subparagraph (C), by striking ''or for 1995 in clause (iii) of such subparagraph'' and inserting '', for 1995 in clause (iii) of that subparagraph, for 2001 in clause (iv) of that subparagraph, or for 2003 in clause (v) of that subparagraph''.

(2) MEETINGS.—Subsection (e) of that section is amended by striking ''and 1995'' and inserting ''1995, 2001, and 2003''.

(3) STAFF.—Subsection (i)(6) of that section is amended in the matter preceding subparagraph (A) by striking ''and 1994'' and inserting '', 1994, and 2002''.

(4) FUNDING.—Subsection (k) of that section is amended by adding at the end the following new paragraph (4):

''(4) If no funds are appropriated to the Commission by the end of the second session of the 106th Congress for the activities of the Commission in 2001 or 2003, the Secretary may transfer to the Commission for purposes of its activities under this part in either of those years such funds as the Commission may require to carry out such activities. The Secretary may transfer funds under the preceding sentence from any funds available to the Secretary. Funds so transferred shall remain available to the Commission for such purposes until expended.''.

(5) TERMINATION.—Subsection (l) of that section is amended by striking ''December 31, 1995'' and inserting ''December 31, 2003''.

(b) PROCEDURES.—

(1) FORCE-STRUCTURE PLAN.—Subsection (a)(1) of section 2903 of that Act is amended by striking ''and 1996,'' and inserting ''1996, 2002, and 2004,''.

(2) SELECTION CRITERIA.—Subsection (b) of such section 2903 is amended—

(A) in paragraph (1), by inserting ''and by no later than January 28, 2001, for purposes of activities of the Commission under this part in 2001 and 2003,'' after ''December 31, 1990,''; and

(B) in paragraph (2)(A)—

(i) in the first sentence, by inserting ''and by no later than March 15, 2001, for purposes of activities of the Commission under this part in 2001 and 2003,'' after ''February 15, 1991,''; and

(ii) in the second sentence, by inserting '', or enacted on or before April 15, 2001, in the case of criteria published and transmitted under the preceding sentence in 2001'' after ''March 15, 1991''.

(3) DEPARTMENT OF DEFENSE RECOMMENDATIONS.—Subsection (c) of such section 2903 is amended—

(A) in paragraph (1), by striking ''and March 1, 1995,'' and inserting ''March 1, 1995, May 1, 2001, and March 1, 2003,'';

(B) by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively;

(C) by inserting after paragraph (3) the following new paragraph (4):

''(4)(A) In making recommendations to the Commission under this subsection in any year after 1999, the Secretary shall consider any notice received from a local government in the vicinity of a military installation that the government would approve of the closure or realignment of the installation.

''(B) Notwithstanding the requirement in subparagraph (A), the Secretary shall make the recommendations referred to in that subparagraph based on the force-structure plan and final criteria otherwise applicable to such recommendations under this section.

''(C) The recommendations made by the Secretary under this subsection in any year after 1999 shall include a statement of the result of the consideration of any notice described in subparagraph (A) that is received with respect to an installation covered by such recommendations. The statement shall set forth the reasons for the result.''; and

(D) in paragraph (7), as so redesignated—

(i) in the first sentence, by striking ''paragraph (5)(B)'' and inserting ''paragraph (6)(B)''; and

(ii) in the second sentence, by striking ''24 hours'' and inserting ''48 hours''.

(4) COMMISSION REVIEW AND RECOMMENDATIONS.—Subsection (d) of such section 2903 is amended—

(A) in paragraph (2)(A), by inserting ''or by no later than September 1 in the case of recommendations in 2001,'' after ''pursuant to subsection (c),'';

(B) in paragraph (4), by inserting ''or after September 1 in the case of recommendations in 2001,'' after ''under this subsection,''; and

(C) in paragraph (5)(B), by inserting ''or by no later than June 15 in the case of such recommendations in 2001,'' after ''such recommendations,''.

(5) REVIEW BY PRESIDENT.—Subsection (e) of such section 2903 is amended—

(A) in paragraph (1), by inserting ''or by no later than September 15 in the case of recommendations in 2001,'' after ''under subsection (d),'';

(B) in the second sentence of paragraph (3), by inserting ''or by no later than October 15 in the case of 2001,'' after ''the year concerned,''; and

(C) in paragraph (5), by inserting ''or by November 1 in the case of recommendations in 2001,'' after ''under this part,''.

(c) CLOSURE AND REALIGNMENT OF INSTALLATIONS.—Section 2904(a) of that Act is amended—

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

(2) by inserting after paragraph (2) the following new paragraph (3):

''(3) carry out the privatization in place of a military installation recommended for closure or realignment by the Commission in each such report after 1999 only if privatization in place is a method of closure or realignment of the installation specified in the recommendation of the Commission in such report and is determined to be the most-cost effective method of implementation of the recommendation;''.

(d) RELATIONSHIP TO OTHER BASE CLOSURE AUTHORITY.—Section 2909(a) of that Act is amended by striking ''December 31, 1995,'' and inserting ''December 31, 2003,''.

(e) TECHNICAL AND CLARIFYING AMENDMENTS.—

(1) COMMENCEMENT OF PERIOD FOR NOTICE OF INTEREST IN PROPERTY FOR HOMELESS.—Section 2905(b)(7)(D)(ii)(I) of that Act is amended by striking ''that date'' and inserting ''the date of publication of such determination in a newspaper of general circulation in the communities in the vicinity of the installation under subparagraph (B)(i)(IV)''.

(2) OTHER CLARIFYING AMENDMENTS.—

(A) That Act is further amended by inserting ''or realignment'' after ''closure'' each place it appears in the following provisions:

(i) Section 2905(b)(3).

(ii) Section 2905(b)(4)(B)(ii).

(iii) Section 2905(b)(5).

(iv) Section 2905(b)(7)(B)(iv).

(v) Section 2905(b)(7)(N).

(vi) Section 2910(10)(B).

(B) That Act is further amended by inserting ''or realigned'' after ''closed'' each place in appears in the following provisions:

(i) Section 2905(b)(3)(C)(ii).

(ii) Section 2905(b)(3)(D).

(iii) Section 2905(b)(3)(E).

(iv) Section 2905(b)(4)(A).

(v) Section 2905(b)(5)(A).

(vi) Section 2910(9).

(vii) Section 2910(10).

(C) Section 2905(e)(1)(B) of that Act is amended by inserting '', or realigned or to be realigned,'' after ''closed or to be closed'.

Mr. LEVIN. Mr. President, I am pleased to once again join my colleagues from the Armed Services Committee, Senator MCCAIN and Senator

ROBB, in introducing this legislation authorizing the Department of Defense to close excess, unneeded military bases.

For the past two years, Secretary of Defense Cohen has asked the Congress to authorize two additional base closure rounds. But Congress has not acted.

Secretary Cohen and General Shelton, the Chairman of the Joint Chiefs of Staff, have repeatedly said we need to close more military bases, and I am confident that they will once again ask us to close more bases when the President's budget is submitted next month.

The legislation we are introducing today is intended to start the debate, and I anticipate the administration will make a similar legislative proposal to the Congress.

This legislation calls for two additional base closure rounds, in 2001 and 2003, that would basically follow the same procedures that were used in 1991, 1993 and 1995, with two exceptions.

First, the whole process would start and finish two months later in 2001 than it did in previous rounds, to give the new President sufficient time to nominate commissioners.

Second, under our legislation privatization in place would not be permitted at closing installations unless the Base Closure Commission recommends it.

In a November 1998 report, the General Accounting Office listed five key elements of the base closure process that ''contributed to the success of prior rounds''. Our legislation retains all of those key elements. GAO also stated that they ''have not identified any long-term readiness problems that were related to domestic base realignments and closures, that ''DOD continues to retain excess capacity'' and that ''substantial savings are expected'' from base closures.

Mr. President, every expert and every study agrees on the basic facts—the Defense Department has more bases than its needs, and closing bases saves substantial money in the long run.

The report the Department of Defense provided to the Congress last April clearly demonstrated these facts. As the Congressional Budget Office stated in a letter to me last July, ''the report's basic message is consistent with CBO's own conclusions: past and future BRAC round will lead to significant savings for DoD.''

Every year we delay another base closure round, we deny the Defense Department, and the taxpayers, about $1.5 billion in annual savings that we can never recoup. And every dollar we spend on bases we do not need is a dollar we cannot spend on things we do need.

Mr. President, I am not going to make any detailed judgments on the President's defense budget proposal until we see the details, but I am prepared to support an increase in defense spending if the money is spent wisely.

However, Congress should not use defense funding increases as an excuse to avoid tough choices. The addition of new resources cannot be a substitute for the billions of dollars of savings that would be generated by a new round of base closures. We cannot justify spending more for national defense unless we show our own willingness to make the best use of defense dollars by reducing unneeded defense infrastructure.

I urge my colleagues to support this legislation.

Mr. ROBB. Mr. President, last year I joined Senators MCCAIN and LEVIN in introducing legislation authorizing another base closure round. I argued then, as I do today, that failing to enact another BRAC round only makes the Congress look short-sighted and indecisive. I argued then that if we don't bite the bullet quickly, the cost of excess infrastructure will continue to drag down the readiness of our forces today and rob us of the resources so badly needed to modernize our forces for tomorrow.

For the first time since the late 1970's, military readiness is suffering significantly. Ships are undermanned, pilots are flying too many missions, reservists are being asked to leave family and job over and over. It doesn't take a budget expert to realize what we could do for the troops with billions in savings from cutting excess infrastructure.

This year we in the Congress will almost certainly add billions of dollars to the defense budget. This is a mixed blessing. While these adds will help resolve problems across the board, from recruiting to modernization to preparing for the future, they will also undermine any incentives to better manage the Department of Defense and to eliminate the wasteful assets and administrative inefficiencies that we the Congress are so determined to preserve.

BRAC failed in the past for reasons that have much to do with politics, but little to do with ensuring our every defense dollar is spent for maintaining and equipping our armed forces for the battlefields of the next century. Those politics are behind us now. We must move forward and authorize more BRAC rounds.

Keeping excess military posts open won't bring more firepower to bear in the next war. Keeping an unneeded R&D lab open won't recruit more talented young men and women to serve as the foundation for the world's finest fighting force. Keeping an underutilized training range open won't buy modern equipment so badly needed to replace systems now often older than the men and women using them.

Mr. President, I reemphasize a point I've made time and time again in the past—who suffers from Congressional inaction? In the end, we only punish those who most need the benefits of infrastructure savings. First, we punish the Nation's taxpayers when we fail to make the best use of the resources with which they entrust us. Second, we punish today's soldiers, sailors, airmen and marines whose readiness depends on sufficient, reliable resources for equipment, training and operations through the year. Finally, we punish tomorrow's force as we continue to mortgage research, development, and modernization of equipment necessary to keep America strong into the 21st century.

The bill we're introducing calls for a base closure round in 2001 and another in 2003. Like the provision we offered last year and the year before that, the bill should answer concerns over the politicization of future BRAC rounds. Language is included to allow privatization-in-place at a facility only if the BRAC Commission explicitly recommends privatization-in-place.

The long-term savings from the first four base closure rounds already are generating substantial savings—about three billion dollars a year. Each new round will save another 1.5 billion dollars per year. It is no surprise that scores of studies and organizations such as the Quadrennial Defense Review, Defense Restructure Initiative, National Defense Panel, and Business Executives for National Security have all concluded that more base closures are crucial to the future of our Armed Forces.

Mr. President, I urge my colleagues to do what is right for our armed forces, what is right for the taxpayer, and support this legislation.

By Mr. INOUYE:

S. 259. A bill to increase the role of the Secretary of Transportation in administering section 901 of the Merchant Marine Act, 1936, and for other purposes; to the Committee on Commerce, Science, and Transportation.

TRANSPORTATION IN AMERICAN VESSELS OF GOVERNMENT PERSONNEL AND CERTAIN CARGOES

Mr. INOUYE. Mr. President, the legislation I am introducing today would centralize the authority to administer our nation's cargo preference laws in the Department of Transportation. Cargo preference statutes assure U.S.-flag ships a minimum share of cargoes produced by U.S. government programs. They play an important role in ensuring our nation's economic security and the existence of a U.S.-flag merchant fleet to assist in national security during times of national emergencies. This tremendous benefit is achieved at a minimal cost. Under present law, cargo reservation is the only direct support a majority of the U.S. merchant fleet receives. I would also like to point out that a cargo preference policy is not unique. Other nations also provide their merchant fleet preference in carrying cargoes their governments generate.

The Maritime Administration, which is part of the Department of Transportation, has been tasked with the difficult duty of monitoring the administration of and compliance with U.S. cargo preference laws and regulations by federal agencies with regard to programs generating ocean-born cargoes.

Major programs monitored include humanitarian aid shipments provided by the U.S. Department of Agriculture and the U.S. Agency for International Development, commodities financed by the Export-Import Bank, foreign military sales, and Department of Defense cargo shipped by commercial ocean carriers. These are cargoes generated exclusively by our government.

In the past, compliance by federal agencies with the requirements of the cargo reservation laws has been chaotic, uneven and varied from agency to agency. In 1962, President John F. Kennedy, in issuing a directive to all executive branch departments and agencies, recognized the importance of our cargo preference policy in fostering a modern, privately owned, merchant marine capable of serving as a naval and military auxiliary in time of war or national emergency. At the time, President Kennedy stated that, ''the achievement of this national policy is even more essential now because of the worldwide economic and defense burdens facing the United States.'' Never has this sentiment been more true than now.

Mr. President, this legislation will merely make certain that federal agencies adhere to existing cargo preference laws, and give the Maritime Administration authority to respond to violations with the proper penalties or sanctions. 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. 259

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

SECTION 1. TRANSPORTATION IN AMERICAN VESSELS OF GOVERNMENT PERSONNEL AND CERTAIN CARGOES.

Section 901(b)(2) of the Merchant Marine Act, 1936 (46 U.S.C. App. 2141 (b)(2)), is amended to read as follows:

''(2)(A) Notwithstanding any other provision of law, the Secretary of Transportation shall have the sole responsibility for determining and designating the programs that are subject to the requirements of this subsection. Each department or agency that has responsibility for a program that is designated by the Secretary of Transportation pursuant to the preceding sentence shall, for the purposes of this subsection, administer such program pursuant to regulations promulgated by such Secretary.

''(B) The Secretary of Transportation shall—

''(i) review the administration of the programs referred to in subparagraph (A);

''(ii) resolve any question concerning the administration of those programs with respect to this section;

''(iii) provide for penalties and sanctions for violation of this Act; and

''(iv) on an annual basis, submit a report to Congress concerning the administration of such programs.''.

SEC. 2. CONFORMING CARGO PREFERENCE YEAR TO FEDERAL FISCAL YEAR.

Section 901b(c)(2) of the Merchant Marine Act, 1936 (46 U.S.C App. 1241f(c)(2)) is amended by striking ''1986.'' and inserting ''1986, the 18-month period commencing April 1, 1999, and the 12-month period beginning on the first day of October in the year 2000 and each year thereafter.''.

By Mr. GRASSLEY (for himself, Mr. DASCHLE, Mr. CRAIG, Mr. BROWNBACK, Mr. SESSIONS, Mr. ASHCROFT, and Mr. KOHL):

S. 260. A bill to make chapter 12 of title 1, United States Code, permanent, and for other purposes; to the Committee on the Judiciary.

SAFETY 2000

Mr. GRASSLEY. Mr. President, I rise today to introduce vitally important legislation to promote the well-being of America's family farms by extending chapter 12 of the Bankruptcy Code. This bill, which is known as ''safety 2000,'' will also make needed changes to chapter 12 which will make it work better for family farmers. I'm pleased that Senator DASCHLE is joining with me in this effort to save family farms. In Iowa, pork prices recently hit an all time low. Pork producers are facing serious hardship, and we must make sure that those farmers who need bankruptcy relief to help save their farming operation have meaningful protections.

Last year, again with the distinguished minority leader, I introduced legislation to make chapter 12 permanent. That legislation passed the Senate by unanimous consent. However, the legislation was not enacted into law. On April 1 of this year, chapter 12 will expire. Mr. President, we cannot let this happen.

As the only family farmer in the Senate, I feel I have a unique responsibility to make sure that family farming remains a strong and vibrant part of American life. For generations, family farms have fed this country. But farming has always had rough periods.

Allowing chapter 12 to expire will repeat a fatal mistake of the past. During the great depression, Congress created special bankruptcy protections for farmers to help them ride out the severe economic conditions of that tragic era. However, Congress allowed these laws to lapse in the 1950s. So, when farmers in Iowa confronted the farm crisis of the mid-1980s, they were left without effective bankruptcy relief. By passing my legislation, we can prevent the mistakes of the past from occurring again.

I think it's very important to realize that chapter 12 is not a hand out or a ''get out of debt free'' card. Farmers are hard-working people who want the chance to learn their way. In fact, chapter 12 is modeled on chapter 13, where individuals set up plans to repay a portion of their debts.

By all accounts, chapter 12 has been wildly successful. So many times in Washington we develop programs and laws with the best of intentions. But when these programs get to the real world, they don't work well. chapter 12, on the other hand, has worked exactly as intended. According to Professor Neil Harl of Iowa State University, 74 percent of family farmers who filed Chapter 12 bankruptcy are still farming and 61 percent of farmers who went through Chapter 12 believe that Chapter 12 was helpful in getting them back on their feet.

But Chapter 12 can be made even better. ''Safety 2000'' will make Chapter 12 better. The bill expands the definition of family farmer so that more farmers can use Chapter 12. Under current law, family farmers can't use Chapter 12 to save their farms if a farmer has more than $1.5 million in debt. This is too restrictive, and my bill would let farmers who have up to $3 million in debt use Chapter 12.

''Safety 2000'' also helps farmers to reorganize by keeping the tax collectors at bay. Under current law, farmers often face a crushing tax liability if they need to sell livestock or land in order to reorganize their business affairs. According to Joe Peiffer, a bankruptcy lawyer from Hiawatha, Iowa, who represents many family farmers, high taxes have caused farmers to lose their farms. Under the bankruptcy code, the I.R.S. must be paid in full for any tax liabilities generated during a bankruptcy reorganization. If the farmer can't pay the I.R.S. in full, then he can't keep his farm. This isn't sound policy. Why should the I.R.S. be allowed to veto a farmer's reorganization plan? ''Safety 2000'' takes this power away from the I.R.S. by reducing the priority of taxes during proceedings. This will free up capital for investment in the farm, and help farmers stay in the business of farming.

In conclusion, Chapter 12 works well and this legislation will make it work better. Let's make sure that we keep this safety net for family farmers in place. I urge my colleagues to think of this bill as a low-cost insurance policy for an important part of America's economy and America's heritage.

Mr. KOHL. Mr. President, I rise to join Senator GRASSLEY as a cosponsor of ''Safeguarding America's Farms Entering the Year 2000.'' This measure would make permanent the bankruptcy code provisions that protect family farmers in hard times by giving them the ability to hold on to their farms while they reorganize their finances.

Without prompt action by Congress, the bankruptcy laws for family farmers, known as Chapter 12, will expire on April 1, 1999. When Congress first enacted Chapter 12 in 1986 for seven years, we intended to make Chapter 12 permanent if it proved successful. Already, Chapter 12 has been extended twice, in 1993 and again last year.

Family farmers need this permanent protection because Chapter 12 works. It takes into consideration the unique circumstances faced by family farmers. It recognizes our special interest in keeping family farms in the family, where possible. And in practice it pays off—according to the National Bankruptcy Review Commission, farmers in Chapter 12 are more likely to successfully reorganize than individuals filing under parallel chapters.

The continued success of the tens of thousands of family farmers in Wisconsin—and millions nationwide—is important to our national interest. But their well-being is too often jeopardized by elements out of their control. For example, many Wisconsin farmers now are facing distress due to unusually low prices for hogs, corn and soy beans. The opportunity to reorganize their business under Chapter 12 may be an important option in these difficult times. They deserve to know that this protection will always be available. Thank you.

By Mr. SPECTER (for himself, Mr. ROCKEFELLER, Mr. BYRD, Mr. DEWINE, Mr. HOLLINGS, Mr. SANTORUM, Ms. MIKULSKI, Mr. SARBANES, Mr. HUTCHINSON, Mr. DURBIN, Mr. KOHL, Mr. SESSIONS, and Mr. MOYNIHAN):

S. 261. A bill to amend the Trade Act of 1974, and for other purposes; to the Committee on Finance.

THE TRADE FAIRNESS ACT OF 1999

Mr. SPECTER. Mr. President, I have sought recognition today to introduce legislation to try to deal with a very serious surge of steel imports into the United States, which is threatening to decimate the steel industry and take thousands of jobs from American steelworkers in a way which is patently unfair and in violation of free trade practices. My bill is entitled the ''Trade Fairness Act of 1999'' because it would bring our laws in line with those established by the General Agreement on Tarriffs and provide relief to the flood of foreign steel imports dumped onto the American market.

On Monday, November 30, 1998, Senator ROCKEFELLER and I convened a hearing of the Senate Steel Caucus to look further into the continued dumping of foreign steel on the U.S. market and its affect on domestic producers. At that hearing, Hank Barnette, Chairman and CEO of Bethlehem Steel, and George Becker, President of the United Steelworkers of America, testified to the magnitude of the crisis, the continued loss of high-paying jobs and the alarming lack of capital investment by the industry over the last several months. They both expressed frustration at the lack of activity by the Clinton Administration to respond to illegal dumping of foreign steel.

On October 7, 1998, Senator JOHN D. ROCKEFELLER, Congressman RALPH REGULA and Congressman JIM OBERSTAR, and I met with representatives of the Clinton Administration, specifically Treasury Secretary Robert Rubin, Commerce Secretary William Daley, United States Trade Representative Ambassador Charlene Barshefsky and National Economic Council Advisor Gene Sperling, to discuss the steel import issue. At that meeting, representatives of the Clinton Administration assured us that they were looking into actions that the Administration could take to respond to the illegal dumping of foreign steel on the U.S. market but had yet to make a final decision on their response.

The urgency of this crisis and the failure of the Administration to take action was evident from testimony presented on September 10, 1998, where, as Chairman of the Senate Steel Caucus, I joined House Chairman REGULA in convening a joint meeting of the Senate and House Steel Caucuses to hear from members of the United Steelworkers of America and executives from a number of the nation's largest steel manufacturers about the current influx of imported steel into the United States. At that meeting, I expressed my profound concern regarding the impact on our steel companies and steelworkers of the current financial crises in Asia and Russia, which have generated surges in U.S. imports of Asian and Russian steel.

The United States has become the dumping ground for foreign steel. Russia has become the world's number one steel exporting nation and China is now the world's number one steel-producing nation, while enormous subsidies to foreign steel producers have continued. In fact, the Commerce Department revealed that Russia, one of the world's least efficient producers, was selling steel plate in the United States at more than 50 percent, or $110 per ton, below the constructed cost to make steel plate. The dumping of this cheap steel on the American market ultimately costs our steel companies in lost sales and results in fewer jobs for American workers.

Specifically, the October 1998 import level was the second highest monthly total ever, with 4.1 million net tons—an increase of 56 percent over October 1997 of 2.6 million net tons. Only August 1998 (4.4 million net tons) surpassed it. The October level, if annualized, would exceed 49 million net tons, or 48 percent of expected total U.S. domestic steel shipments for the entire year. Total imports in October were 35 percent of apparent consumption, up from 23 percent a year earlier.

Imports of steel from various countries have dramatically increased when the first six months of 1997 are compared to the first six months of 1998. The percent increases from four countries are as follows: Japan, 141 percent; South Africa, 124 percent; South Korea, 96 percent; Russia, 29 percent.

The following is an example of the layoffs and plant slowdowns since September, 1998:

Geneva Steel has laid off 460 workers;

U.S. Steel's Philadelphia operations have been reduced by 70 percent;

LTV Steel's plant closure has cost 320 jobs; and,

Weirton Steel has suffered 300 layoffs with 200 additional layoffs expected by January 1, 1999.

The American Iron and Steel Institute estimates that 5,000 steelworkers, nationwide, have been laid off since September, 1998. An additional 10,000 U.S. steelworkers' jobs are at risk of imminent layoffs.

I believe that the growing coalition of steel manufacturers, steelworkers, and Congress must work together to remedy this import crisis before it is too late and the U.S. steel industry is forced to endure an excruciatingly painful economic downturn. The United States has many of the tools at its disposal to protect our steel industry from unfair and illegally dumped steel; therefore, I introduced Senate Concurrent Resolution 121 on September 29, 1998, to call on the President to take all necessary measures to respond to the surge of steel imports resulting from the Asian and Russian financial crises. I am pleased to state that the resolution passed both houses of Congress on October 19, 1998. Unfortunately, the President's report to Congress failed to take the immediate action needed to stop the importation of foreign steel.

While this resolution was an appropriate way for Congress to express our concerns and request immediate actions by the Administration to respond to the steel import crisis, I think it is also important to give the Administration all the necessary tools to fight the surges of foreign steel. After reviewing the U.S. trade laws, I discovered that our trade laws place the United States at a disadvantage in the international trade arena. Our laws are more strict than those agreements made during the Uruguay Round negotiations on the General Agreement on Tariffs and Trade (GATT). That agreement, which the Senate considered and passed on December 1, 1994, established the World Trade Organization (WTO) to administer these trade agreements.

The GATT established rules for the application of safeguard measures. The agreement provides that a member of the WTO may apply a safeguard measure to a product if the member has determined that such product is being imported into its territory in such increased quantities, absolute or relative to domestic production, and under such conditions as to cause or threaten to cause serious injury to the domestic industry that produces like or directly competitive products. The comparable U.S. statute, referred to as safeguard actions, or Section 201 of the 1974 Trade Act, provide a procedure whereby the President has the discretion to grant temporary import relief to a domestic industry injured by increased imports. Our statute goes further than GATT by requiring that foreign imports are the substantial cause of the injury. It just does not make sense to hinder the Administration by placing this additional burden on it in evaluating a claim of injury due to surges of imports. We need to level the playing field so that all countries are playing by the same rules. This oversight is one example of the technical corrections that must be made to U.S. trade laws to bring them in line with WTO's rules.

For these reasons and to provide relief to the domestic steel industry injured by these overly strict laws, I am

introducing the Trade Fairness Act of 1999, which seeks to: lower the threshold for establishing injury in safeguard actions under Section 201 of the 1974 Trade Act; and, establish an import monitoring program to monitor the influx of foreign steel on the U.S. market.

During the last days of the 105th Congress, I introduced the Trade Fairness Act of 1998 which sought to amend the Trade Act of 1974 by making technical corrections to our strict laws; the first section of the legislation I am introducing today is based on that bill. First, regarding safeguard actions, this legislation removes the requirement that imports must be a ''substantial'' cause of the serious injury by deleting the word ''substantial.'' The WTO's Safeguards Agreement does not require that increased imports by a ''substantial'' cause of serious injury. This change will lower the threshold to prove that the influx of imports were the cause of injury to the affected industry and will make U.S. law consistent with the WTO rules.

Second, the legislation clarifies that the International Trade Commission (ITC) shall not attribute to imports injury caused by other factors in making a determination that imports are a cause of serious injury. This provision clarifies that there only needs to be a causal link between the imports and the injury in order to gain relief. This clarification is a more faithful implementation of the GATT Agreement and will prevent circumstances such as a recession from blocking invocation of Section 201 by the Administration.

Finally, this legislation brings the definition of ''serious injury'' in line with the definition codified in the GATT Agreement. The bill strikes the definition of serious injury and replaces it with the WTO's language regarding evaluation of whether increased imports have caused serious injury to a domestic industry. Specifically, it states ''with respect to serious injury'', the ITC should consider ''the rate and amount of the increase in imports of the product concerned in absolute and relative terms; the share of the domestic market taken by increased imports; changes in the levels of sales; production; productivity; capacity utilization; profits and losses; and, employment.'' These factors are important guidance to the ITC in evaluating a petition of serious injury. Again, I think it is appropriate to be consistent with the WTO language as America increasingly interacts on a global scale.

Next, my legislation establishes a comprehensive steel import permit and monitoring program, which is modeled on similar systems currently in use in Canada and Mexico. The program created by this legislation requires importers to provide information regarding country of origin, quantity, value and Harmonized Tariff Schedule number. The program also requires the Administration to release the data collected to the public in aggregate form on an expedited basis. The information provided by the licensing program will allow the Commerce Department and the steel industry to monitor the influx of steel imports into the United States. Currently, unfairly traded imports can cause significant damage to the U.S. market long before the data is available for even preliminary analysis. This program will allow the U.S. government to receive and analyze critical data in a more timely manner and, as a result, allow the industry to determine more quickly whether unfairly traded imports are disrupting the market.

Specifically, the bill directs the Secretary of Commerce and the Secretary of Treasury to implement a steel import monitoring program that requires importers of all products classified within Chapters 72 and 73 of the Harmonized Tariff Schedule of the United States (HTSUS) to obtain an import permit prior to entering such products in the United States. In order to obtain an import permit, the importer is required to submit an import permit application containing specific information. An import permit is issued automatically upon receipt of the application and is valid for a period of thirty days.

This legislation will enhance U.S. law to better respond to surges of foreign imports that injure U.S. industries. It is important to note that, with the exception of the steel import licensing provisions, this legislation applies to all industries and is not limited to the steel industry. As such, other U.S. industries that are faced with an import crisis such as the steel industry is currently confronting would also benefit from these improvements to the U.S. trade laws.

The U.S. steel industry has become a world class industry with a very high-quality product. This has been achieved at a great cost: $50 billion in new investment to restructure and modernize; 40 million tons of capacity taken out of the industry; and a work force dramatically downsized from 500,000 to 170,000. With these technical changes, the Administration will be armed with ammunition to bring a self-initiated Section 201 action on behalf of the steel industry that has been harmed not only by the onslaught of cheap imports on a daily basis but by U.S. law that has prevented swift and immediate action by the U.S. government. This legislation is essential to allow the President to respond promptly to the current steel import crisis. It will allow steel companies to compete in a more fair trade environment, preventing bankruptcies that would cause the loss of thousands of high-paying jobs in the steel industry. Too many steelworkers have lost their jobs due to unfair cheap imports. I intend to stand up for the steel industry and prevent the loss of any more jobs.

For these reasons, I urge my colleagues to join me in supporting adoption of legislation to bring fairness to our trade laws and needed relief to the steel industry.

Mr. SESSIONS. Mr. President, I rise today to join my colleagues in introducing the ''Trade Fairness Act of 1999'' and thank Senator SPECTER for his hard work in crafting this legislation which will help alleviate the economic turmoil in our domestic steel industry caused by illegal dumping.

Recent trade data indicates that steel imports to the United States for the first ten months of 1998, ending in October, have reached an all time record of 34,628,000 tons. In contrast, imports to the United States in for the first ten months of 1997, which was itself a record year, equaled 26,708,000 tons. This represents a 30 percent increase.

The bill I am joining in cosponsoring with Senator SPECTER today will help make it easier for the President to enforce our existing trade laws in two ways; it will lower the threshold necessary for the President to take immediate action to stem the tide of illegal imports under section 201 of the Trade Act of 1974 and it will create an ''Import Monitoring Program'' for steel, similar to the systems in place in both Mexico and Canada, to identify the country of origin, value and quantity of steel imports into the United States.

These actions are in line with the General Agreement on Tarriffs and Trade (GATT) and will not hinder free trade with our international trading partners. The bill will provide necessary information, critical in determining whether illegal trade practices are occurring. This provision will ensure the President can take immediate, decisive action when those practices are identified.

The men and women who work in the United States steel business are the most efficient and hardest working people in the world. Given a fair shake, our domestic steel producers have and can continue to compete with any of our international trading partners. Illegal dumping has forced America's steel industry into jeopardy. The jobs of thousands of steel workers in my home state of Alabama and across the Nation are threatened. Our steel workers and companies deserve the protection afforded to them by United States trade law and the rigorous enforcement of those laws by our President.

By Mr. ROTH (for himself and Mr. MOYNIHAN):

S. 262. A bill to make miscellaneous and technical changes to various trade laws, and for other purposes. A bill to make miscellaneous and technical changes to various trade laws, and for other purposes; to the Committee on Finance.

MISCELLANEOUS TRADE AND TECHNICAL CORRECTIONS ACT OF 1999

Mr. ROTH. Mr. President, I rise today to introduce, on behalf of Senator MOYNIHAN and myself, the Miscellaneous Trade and Technical Corrections Act of 1999. This bill reflects unfinished business from the 105th Congress and I am hopeful that the Senate will quickly move to approve this legislation this year.

On September 29, the Finance Committee reported unanimously H.R. 4342, the Miscellaneous Tariff and Technical Corrections Act of 1998. On October 20, 1998, the House passed and sent to the Senate H.R. 4856, the identical bill with the addition of several provisions. Unfortunately, for reasons unrelated to the substance of the bill, the Senate was unable to pass either piece of legislation.

The bill I am introducing today with Senator MOYNIHAN is substantively identical to H.R. 4856, with only minor technical changes necessary because of the passage of time. This bill contains over 150 provisions temporarily suspending or reducing the applicable tariffs on a wide variety of products, including chemicals used to make anti-HIV, anti-AIDS and anti-cancer drugs, pigments, paints, herbicides and insecticides, certain machinery used in the production of textiles, and rocket engines.

In each instance, there was either no domestic production of the product in question or the domestic producers supported the measure. By suspending or reducing the duties, we can enable U.S. firms that use these products to produce goods in a more cost efficient manner, thereby helping create jobs for American workers and reducing costs for consumers.

The bill also contains a number of technical corrections and other minor modifications to the trade laws that enjoyed broad support. One such measure would help facilitate Customs Service clearance of athletes that participate in world athletic events, such as the upcoming Women's World Cup. Another measure would correct outdated references in the trade laws.

For each of the provisions included in this bill, the House and Senate has solicited comments from the public and from the Administration to ensure that there was no controversy or opposition. Only those measures that were noncontroversial were included in the bill.

The Finance Committee is scheduled to hold a mark-up of this bill on Friday, January 22nd. I hope that both the House and Senate will move to approve this legislation soon.

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. 262

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 ''Miscellaneous Trade and Technical Corrections Act of 1999''.

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

TITLE I—MISCELLANEOUS TRADE CORRECTIONS

SEC. 1001. CLERICAL AMENDMENTS.

(a) TRADE ACT OF 1974.—(1) Section 233(a) of the Trade Act of 1974 (19 U.S.C. 2293(a)) is amended—

(A) by aligning the text of paragraph (2) that precedes subparagraph (A) with the text of paragraph (1); and

(B) by aligning the text of subparagraphs (A) and (B) of paragraph (2) with the text of subparagraphs (A) and (B) of paragraph (3).

(2) Section 141(b) of the Trade Act of 1974 (19 U.S.C. 2171(b)) is amended—

(A) in paragraph (3) by striking ''LIMITATION ON APPOINTMENTS.—''; and

(B) by aligning the text of paragraph (3) with the text of paragraph (2).

(3) The item relating to section 410 in the table of contents for the Trade Act of 1974 is repealed.

(4) Section 411 of the Trade Act of 1974 (19 U.S.C. 2441), and the item relating to section 411 in the table of contents for that Act, are repealed.

(5) Section 154(b) of the Trade Act of 1974 (19 U.S.C. 2194(b)) is amended by striking ''For purposes of'' and all that follows through ''90-day period'' and inserting ''For purposes of sections 203(c) and 407(c)(2), the 90-day period''.

(6) Section 406(e)(2) of the Trade Act of 1974 (19 U.S.C. 2436(e)(2)) is amended by moving subparagraphs (B) and (C) 2 ems to the left.

(7) Section 503(a)(2)(A)(ii) of the Trade Act of 1974 (19 U.S.C. 2463(a)(2)(A)(ii)) is amended by striking subclause (II) and inserting the following:

''(II) the direct costs of processing operations performed in such beneficiary developing country or such member countries,

is not less than 35 percent of the appraised value of such article at the time it is entered.''.

(8) Section 802(b)(1)(A) of the Trade Act of 1974 (19 U.S.C. 2492(b)(1)(A)) is amended—

(A) by striking ''481(e)'' and inserting ''489''; and

(B) by inserting ''(22 U.S.C. 2291h)'' after ''1961''.

(9) Section 804 of the Trade Act of 1974 (19 U.S.C. 2494) is amended by striking ''481(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(e)(1))'' and inserting ''489 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291h)''.

(10) Section 805(2) of the Trade Act of 1974 (19 U.S.C. 2495(2)) is amended by striking ''and'' after the semicolon.

(11) The table of contents for the Trade Act of 1974 is amended by adding at the end the following:

(b) OTHER TRADE LAWS.—(1) Section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c) is amended—

(A) in subsection (e) by aligning the text of paragraph (1) with the text of paragraph (2); and

(B) in subsection (f)(3)—

(i) in subparagraph (A)(ii) by striking ''subsection (a)(1) through (a)(8)'' and inserting ''paragraphs (1) through (8) of subsection (a)''; and

(ii) in subparagraph (C)(ii)(I) by striking ''paragraph (A)(i)'' and inserting ''subparagraph (A)(i)''.

(2) Section 3(a) of the Act of June 18, 1934 (commonly referred to as the ''Foreign Trade Zones Act'') (19 U.S.C. 81c(a)) is amended by striking the second period at the end of the last sentence.

(3) Section 9 of the Act of June 18, 1934 (commonly referred to as the ''Foreign Trade Zones Act'') (19 U.S.C. 81i) is amended by striking ''Post Office Department, the Public Health Service, the Bureau of Immigration'' and inserting ''United States Postal Service, the Public Health Service, the Immigration and Naturalization Service''.

(4) The table of contents for the Trade Agreements Act of 1979 is amended—

(A) in the item relating to section 411 by striking ''Special Representative'' and inserting ''Trade Representative''; and

(B) by inserting after the items relating to subtitle D of title IV the following:

''Subtitle E—Standards and Measures Under the North American Free Trade Agreement

''CHAPTER 1—SANITARY AND PHYTOSANITARY MEASURES

''Sec. 461. General.
''Sec. 462. Inquiry point.
''Sec. 463. Chapter definitions.

''CHAPTER 2—STANDARDS-RELATED MEASURES

''Sec. 471. General.
''Sec. 472. Inquiry point.
''Sec. 473. Chapter definitions.

''CHAPTER 3—SUBTITLE DEFINITIONS

''Sec. 481. Definitions.

''Subtitle F—International Standard-Setting Activities

''Sec. 491. Notice of United States participation in international standard-setting activities.
''Sec. 492. Equivalence determinations.
''Sec. 493. Definitions.''.

(5)(A) Section 3(a)(9) of the Miscellaneous Trade and Technical Corrections Act of 1996 is amended by striking ''631(a)'' and ''1631(a)'' and inserting ''631'' and ''1631'', respectively.

(B) Section 50(c)(2) of such Act is amended by striking ''applied to entry'' and inserting ''applied to such entry''.

(6) Section 8 of the Act of August 5, 1935 (19 U.S.C. 1708) is repealed.

(7) Section 584(a) of the Tariff Act of 1930 (19 U.S.C. 1584(a)) is amended—

(A) in the last sentence of paragraph (2), by striking ''102(17) and 102(15), respectively, of the Controlled Substances Act'' and inserting ''102(18) and 102(16), respectively, of the Controlled Substances Act (21 U.S.C. 802(18) and 802(16))''; and

(B) in paragraph (3)—

(i) by striking ''or which consists of any spirits,'' and all that follows through ''be not shown,''; and

(ii) by striking '', and, if any manifested merchandise'' and all that follows through the end and inserting a period.

(8) Section 621(4)(A) of the North American Free Trade Agreement Implementation Act, as amended by section 21(d)(12) of the Miscellaneous Trade and Technical Amendments Act of 1996, is amended by striking ''disclosure within 30 days'' and inserting ''disclosure, or within 30 days''.

(9) Section 558(b) of the Tariff Act of 1930 (19 U.S.C. 1558(b)) is amended by striking ''(c)'' each place it appears and inserting ''(h)''.

(10) Section 441 of the Tariff Act of 1930 (19 U.S.C. 1441) is amended by striking paragraph (6).

(11) General note 3(a)(ii) to the Harmonized Tariff Schedule of the United States is amended by striking ''general most-favored-nation (MFN)'' and by inserting in lieu thereof ''general or normal trade relations (NTR)''.

SEC. 1002. OBSOLETE REFERENCES TO GATT.

(a) FOREST RESOURCES CONSERVATION AND SHORTAGE RELIEF ACT OF 1990.—(1) Section 488(b) of the Forest Resources Conservation and Shortage Relief Act of 1990 (16 U.S.C. 620(b)) is amended—

(A) in paragraph (3) by striking ''General Agreement on Tariffs and Trade'' and inserting ''GATT 1994 (as defined in section 2(1)(B) of the Uruguay Round Agreements Act)'' ; and

(B) in paragraph (5) by striking ''General Agreement on Tariffs and Trade'' and inserting ''WTO Agreement and the multilateral trade agreements (as such terms are defined in paragraphs (9) and (4), respectively, of section 2 of the Uruguay Round Agreements Act)''.

(2) Section 491(g) of that Act (16 U.S.C. 620c(g)) is amended by striking ''Contracting Parties to the General Agreement on Tariffs and Trade'' and inserting ''Dispute Settlement Body of the World Trade Organization (as the term 'World Trade Organization' is defined in section 2(8) of the Uruguay Round Agreements Act)''.

(b) INTERNATIONAL FINANCIAL INSTITUTIONS ACT.—Section 1403(b) of the International Financial Institutions Act (22 U.S.C. 262n–2(b)) is amended—

(1) in paragraph (1)(A) by striking ''General Agreement on Tariffs and Trade or Article 10'' and all that follows through ''Trade'' and inserting ''GATT 1994 as defined in section 2(1)(B) of the Uruguay Round Agreements Act, or Article 3.1(a) of the Agreement on Subsidies and Countervailing Measures referred to in section 101(d)(12) of that Act''; and

(2) in paragraph (2)(B) by striking ''Article 6'' and all that follows through ''Trade'' and inserting ''Article 15 of the Agreement on Subsidies and Countervailing Measures referred to in subparagraph (A)''.

(c) BRETTON WOODS AGREEMENTS ACT.—Section 49(a)(3) of the Bretton Woods Agreements Act (22 U.S.C. 286gg(a)(3)) is amended by striking ''GATT Secretariat'' and inserting ''Secretariat of the World Trade Organization (as the term 'World Trade Organization' is defined in section 2(8) of the Uruguay Round Agreements Act)''.

(d) FISHERMEN'S PROTECTIVE ACT OF 1967.—Section 8(a)(4) of the Fishermen's Protective Act of 1967 (22 U.S.C. 1978(a)(4)) is amended by striking ''General Agreement on Tariffs and Trade'' and inserting ''World Trade Organization (as defined in section 2(8) of the Uruguay Round Agreements Act) or the multilateral trade agreements (as defined in section 2(4) of that Act)''.

(e) UNITED STATES-HONG KONG POLICY ACT OF 1992.—Section 102(3) of the United States-Hong Kong Policy Act of 1992 (22 U.S.C. 5712(3)) is amended—

(1) by striking ''contracting party to the General Agreement on Tariffs and Trade'' and inserting ''WTO member country (as defined in section 2(10) of the Uruguay Round Agreements Act)''; and

(2) by striking ''latter organization'' and inserting ''World Trade Organization (as defined in section 2(8) of that Act)''.

(f) NOAA FLEET MODERNIZATION ACT.—Section 607(b)(8) of the NOAA Fleet Modernization Act (33 U.S.C. 891e(b)(8)) is amended by striking ''Agreement on Interpretation'' and all that follows through ''trade negotiations'' and inserting ''Agreement on Subsidies and Countervailing Measures referred to in section 101(d)(12) of the Uruguay Round Agreements Act, or any other export subsidy prohibited by that agreement''.

(g) ENERGY POLICY ACT OF 1992.—(1) Section 1011(b) of the Energy Policy Act of 1992 (42 U.S.C. 2296b(b)) is amended—

(A) by striking ''General Agreement on Tariffs and Trade'' and inserting ''multilateral trade agreements (as defined in section 2(4) of the Uruguay Round Agreements Act)''; and

(B) by striking ''United States-Canada Free Trade Agreement'' and inserting ''North American Free Trade Agreement''.

(2) Section 1017(c) of such Act (42 U.S.C. 2296b–6(c)) is amended—

(A) by striking ''General Agreement on Tariffs and Trade'' and inserting ''multilateral trade agreements (as defined in section 2(4) of the Uruguay Round Agreements Act)''; and

(B) by striking ''United States-Canada Free Trade Agreement'' and inserting ''North American Free Trade Agreement''.

(h) ENERGY POLICY CONSERVATION ACT.—Section 400AA(a)(3) of the Energy Policy Conservation Act (42 U.S.C. 6374(a)(3)) is amended in subparagraphs (F) and (G) by striking ''General Agreement on Tariffs and Trade'' each place it appears and inserting ''multilateral trade agreements as defined in section 2(4) of the Uruguay Round Agreements Act''.

(i) TITLE 49, UNITED STATES CODE.—Section 50103 of title 49, United States Code, is amended in subsections (c)(2) and (e)(2) by striking ''General Agreement on Tariffs and Trade'' and inserting ''multilateral trade agreements (as defined in section 2(4) of the Uruguay Round Agreements Act)''.

SEC. 1003. TARIFF CLASSIFICATION OF 13-INCH TELEVISIONS.

(a) IN GENERAL.—Each of the following subheadings of the Harmonized Tariff Schedule of the United States is amended by striking ''33.02 cm'' in the article description and inserting ''34.29 cm'':

(1) Subheading 8528.12.12.
(2) Subheading 8528.12.20.
(3) Subheading 8528.12.62.
(4) Subheading 8528.12.68.
(5) Subheading 8528.12.76.
(6) Subheading 8528.12.84.
(7) Subheading 8528.21.16.
(8) Subheading 8528.21.24.
(9) Subheading 8528.21.55.
(10) Subheading 8528.21.65.
(11) Subheading 8528.21.75.
(12) Subheading 8528.21.85.
(13) Subheading 8528.30.62.
(14) Subheading 8528.30.66.
(15) Subheading 8540.11.24.
(16) Subheading 8540.11.44.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section apply to articles entered, or withdrawn from warehouse for consumption, on or after the date that is 15 days after the date of enactment of this Act.

(2) RETROACTIVE APPLICATION.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon proper request filed with the Customs Service not later than 180 days after the date of enactment of this Act, any entry, or withdrawal from warehouse for consumption, of an article described in a subheading listed in paragraphs (1) through (16) of subsection (a)—

(A) that was made on or after January 1, 1995, and before the date that is 15 days after the date of enactment of this Act,

(B) with respect to which there would have been no duty or a lesser duty if the amendments made by subsection (a) applied to such entry, and

(C) that is—

(i) unliquidated,

(ii) under protest, or

(iii) otherwise not final,

shall be liquidated or reliquidated as though such amendment applied to such entry.

TITLE II—TEMPORARY DUTY SUSPENSIONS AND REDUCTIONS; OTHER TRADE PROVISIONS

Subtitle A—Temporary Duty Suspensions and Reductions

CHAPTER 1—REFERENCE

SEC. 2001. REFERENCE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a chapter, subchapter, note, additional U.S. note, heading, subheading, or other provision, the reference shall be considered to be made to a chapter, subchapter, note, additional U.S. note, heading, subheading, or other provision of the Harmonized Tariff Schedule of the United States (19 U.S.C. 3007).

CHAPTER 2—DUTY SUSPENSIONS AND REDUCTIONS

SEC. 2101. DIIODOMETHYL-*P*-TOLYLSULFONE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.90	Diiodomethyl-*p*-tolylsulfone (CAS No. 20018–09–1) (provided for in subheading 2930.90.10)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2102. RACEMIC dl-MENTHOL.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.06	Racemic dl-menthol (intermediate (E) for use in producing menthol) (CAS No. 15356–70–4) (provided for in subheading 2906.11.00)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2103. 2,4-DICHLORO-5-HYDRAZINOPHENOL MONOHY- DROCHLORIDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.28	2,4-Dichloro-5-hydrazinophenol monohy drochloride (CAS No. 189573–21–5) (provided for in subheading 2928.00.25)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2104. TAB.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.95	Phosphinic acid, [3-(acetyloxy)-3-cyanopropyl]methyl-, butyl ester (CAS No. 167004–78–6) (provided for in subheading 2931.00.90)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2105. CERTAIN SNOWBOARD BOOTS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.64.04	Snowboard boots with uppers of textile materials (provided for in subheading 6404.11.90)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2106. ETHOFUMESATE SINGULARLY OR IN MIXTURE WITH APPLICATION ADJUVANTS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.31.12	2-Ethoxy-2,3-dihydro-3,3-dimethyl-5-benzofuranyl-methanesulfonate (ethofumesate) singularly or in mixture with application adjuvants (CAS No. 26225–79–6) (provided for in subheading 2932.99.08 or 3808.30.15)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2107. 3-METHOXYCARBONYLAMINOPHENYL-3′-METHYL-CARBANILATE (PHENMEDIPHAM).

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.31.13	3-Methoxycarbonylamino-phenyl-3′-methylcarbanilate (phenmedipham) (CAS No. 13684–63–4) (provided for in subheading 2924.29.47)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2108. 3-ETHOXYCARBONYLAMINOPHENYL-N-PHENYL-CARBAMATE (DESMEDIPHAM).

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.31.14	3-Ethoxycarbonylamino-phenyl-N-phenylcarbamate (desmedipham) (CAS No. 13684–56–5) (provided for in subheading 2924.29.41)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2109. 2-AMINO-4-(4-AMINOBENZOYLAMINO)BENZENE-SULFONIC ACID, SODIUM SALT.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.30.91	2-Amino-4-(4-aminobenzoyl-amino) benzenesulfonic acid, sodium salt (CAS No. 167614–37–1) (provided for in subheading 2930.90.29)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2110. 5-AMINO-N-(2-HYDROXYETHYL)-2,3-XYLENESUL- FONAMIDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.30.31	5-Amino-N-(2-hydroxyethyl)-2,3-xylenesulfonamide (CAS No. 25797–78–8) (provided for in subheading 2935.00.95)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2111. 3-AMINO-2′-(SULFATOETHYLSULFONYL) ETHYL BENZAMIDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.30.90	3-Amino-2′-(sulfatoethylsulfonyl) ethyl benzamide (CAS No. 121315–20–6) (provided for in subheading 2930.90.29)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2112. 4-CHLORO-3-NITROBENZENESULFONIC ACID, MONOPOTASSIUM SALT.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.30.92	4-Chloro-3-nitrobenzenesulfonic acid, monopotassium salt (CAS No. 6671–49–4) (provided for in subheading 2904.90.47)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2113. 2-AMINO-5-NITROTHIAZOLE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.46	2-Amino-5-nitrothiazole (CAS No. 121–66–4) (provided for in subheading 2934.10.90)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2114. 4-CHLORO-3-NITROBENZENESULFONIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.30.04	4-Chloro-3-nitrobenzenesulfonic acid (CAS No. 121–18–6) (provided for in subheading 2904.90.47)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2115. 6-AMINO-1,3-NAPHTHALENEDISULFONIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.21	6-Amino-1,3-naphthalenedisulfonic acid (CAS No. 118–33–2) (provided for in subheading 2921.45.90)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2116. 4-CHLORO-3-NITROBENZENESULFONIC ACID, MONOSODIUM SALT.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.24	4-Chloro-3-nitrobenzenesulfonic acid, monosodium salt (CAS No. 17691–19–9) (provided for in subheading 2904.90.40)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2117. 2-METHYL-5-NITROBENZENESULFONIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.23	2-Methyl-5-nitrobenzenesulfonic acid (CAS No. 121–03–9) (provided for in subheading 2904.90.20)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2118. 6-AMINO-1,3-NAPHTHALENEDISULFONIC ACID, DISODIUM SALT.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.45	6-Amino-1,3-naphthalenedisulfonic acid, disodium salt (CAS No. 50976–35–7) (provided for in subheading 2921.45.90)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2119. 2-AMINO-P-CRESOL.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.20	2-Amino-p-cresol (CAS No. 95–84–1) (provided for in subheading 2922.29.10)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2120. 6-BROMO-2,4-DINITROANILINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.43	6-Bromo-2,4-dinitroaniline (CAS No. 1817–73–8) (provided for in subheading 2921.42.90)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2121. 7-ACETYLAMINO-4-HYDROXY-2-NAPHTHALENE-SULFONIC ACID, MONOSODIUM SALT.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.29	7-Acetylamino-4-hydroxy-2-naphthalenesulfonic acid, monosodium salt (CAS No. 42360–29–2) (provided for in subheading 2924.29.70)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2122. TANNIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.01	Tannic acid (CAS No. 1401–55–4) (provided for in subheading 3201.90.10)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2123. 2-AMINO-5-NITROBENZENESULFONIC ACID, MONOSODIUM SALT.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.53	2-Amino-5-nitrobenzenesulfonic acid, monosodium salt (CAS No. 30693–53–9) (provided for in subheading 2921.42.90)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2124. 2-AMINO-5-NITROBENZENESULFONIC ACID, MONOAMMONIUM SALT.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.44	2-Amino-5-nitrobenzenesulfonic acid, monoammonium salt (CAS No. 4346–51–4) (provided for in subheading 2921.42.90)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2125. 2-AMINO-5-NITROBENZENESULFONIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.54	2-Amino-5-nitrobenzenesulfonic acid (CAS No. 96–75–3) (provided for in subheading 2921.42.90)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2126. 3-(4,5-DIHYDRO-3-METHYL-5-OXO-1H-PYRAZOL-1-YL)BENZENESULFONIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.33.19	3-(4,5-Dihydro-3-methyl-5-oxo-1H-pyrazol-1-yl)benzenesulfonic acid (CAS No. 119–17–5) (provided for in subheading 2933.19.43)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2127. 4-BENZOYLAMINO-5-HYDROXY-2,7-NAPHTHA- LENEDISULFONIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.65	4-Benzoylamino-5-hydroxy-2,7-naphthalenedisulfonic acid (CAS No. 117–46–4) (provided for in subheading 2924.29.75)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2128. 4-BENZOYLAMINO-5-HYDROXY-2,7-NAPHTHA- LENEDISULFONIC ACID, MONOSODIUM SALT.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.72	4-Benzoylamino-5-hydroxy-2,7-naphthalenedisulfonic acid, monosodium salt (CAS No. 79873–39–5) (provided for in subheading 2924.29.70)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2129. PIGMENT YELLOW 151.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.04	Pigment Yellow 151 (CAS No. 031837–42–0) (provided for in subheading 3204.17.90)	6.4%	No change	No change	On or before 12/31/2001	''.

SEC. 2130. PIGMENT YELLOW 181.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.17	Pigment Yellow 181 (CAS No. 074441–05–7) (provided for in subheading 3204.17.60)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2131. PIGMENT YELLOW 154.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.18	Pigment Yellow 154 (CAS No. 068134–22–5) (provided for in subheading 3204.17.60)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2132. PIGMENT YELLOW 175.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.19	Pigment Yellow 175 (CAS No. 035636–63–6) (provided for in subheading 3204.17.60)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2133. PIGMENT YELLOW 180.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.20	Pigment Yellow 180 (CAS No. 77804–81–0) (provided for in subheading 3204.17.60)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2134. PIGMENT YELLOW 191.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.21	Pigment Yellow 191 (CAS No. 129423–54–7) (provided for in subheading 3204.17.60)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2135. PIGMENT RED 187.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following heading:

''	9902.32.22	Pigment Red 187 (CAS No. 59487–23–9) (provided for in subheading 3204.17.60)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2136. PIGMENT RED 247.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.23	Pigment Red 247 (CAS No. 43035-18-3) (provided for in subheading 3204.17.60)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2137. PIGMENT ORANGE 72.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.24	Pigment Orange 72 (CAS No. 78245–94–0) (provided for in subheading 3204.17.60)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2138. PIGMENT YELLOW 16.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.25	Pigment Yellow 16 (CAS No. 5979–28–2) (provided for in subheading 3204.17.04)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2139. PIGMENT RED 185.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following heading:

''	9902.32.26	Pigment Red 185 (CAS No. 51920–12–8) (provided for in subheading 3204.17.04)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2140. PIGMENT RED 208.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.27	Pigment Red 208 (CAS No. 31778–10–6) (provided for in subheading 3204.17.04)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2141. PIGMENT RED 188.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.28	Pigment Red 188 (CAS No. 61847–48–1) (provided for in subheading 3204.17.04)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2142. 2,6-DIMETHYL-M-DIOXAN-4-OL ACETATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.94	2,6-Dimethyl-m-dioxan-4-ol acetate (CAS No. 000828–00–2) (provided for in subheading 2932.99.90)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2143. β-BROMO-β-NITROSTYRENE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.92	β-Bromo-β-nitrostyrene (CAS No. 7166–19–0) (provided for in subheading 2904.90.47)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2144. TEXTILE MACHINERY.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.84.43	Ink-jet textile printing machinery (provided for in subheading 8443.51.10)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2145. DELTAMETHRIN.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.30.18	(S)-α-Cyano-3-phenoxybenzyl (1R,3R)-3-(2,2-dibromovinyl)-2,2-dimethylcyclopropanecarboxylate (deltamethrin) in bulk or in forms or packings for retail sale (CAS No. 52918–63–5) (provided for in subheading 2926.90.30 or 3808.10.25)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2146. DICLOFOP-METHYL.

Subchapter II of chapter 99 is amended by striking heading 9902.30.16 and inserting the following:

''	9902.30.16	Methyl 2-[4-(2,4-dichlorophenoxy)phenoxy] propionate (diclofop-methyl) in bulk or in forms or packages for retail sale containing no other pesticide products (CAS No. 51338–27–3) (provided for in subheading 2918.90.20 or 3808.30.15)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2147. RESMETHRIN.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.29	([5-(Phenylmethyl)-3-furanyl] methyl 2,2-dimethyl-3-(2-methyl-1-propenyl) cyclopropanecarboxylate (resmethrin) (CAS No. 10453–86–8) (provided for in subheading 2932.19.10)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2148. N-PHENYL-N'-1,2,3-THIADIAZOL-5-YLUREA.

Subchapter II of chapter 99 is amended by striking heading 9902.30.17 and inserting the following:

''	9902.30.17	N-phenyl-N′-1,2,3-thiadiazol-5-ylurea (thidiazuron) in bulk or in forms or packages for retail sale (CAS No. 51707–55–2) (provided for in subheading 2934.90.15 or 3808.30.15)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2149. (1R,3S)3[(1′RS)(1′,2′,2′,2′,-TETRABROMOETHYL)]-2,2-DIMETHYLCYCLOPROPANECARBOXYLIC ACID, (S)-α-CYANO-3-PHENOXYBENZYL ESTER.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.30.19	(1R,3S)3[(1′RS)(1′,2′,2′,2′,-Tetrabromoethyl)]-2,2-dimethylcyclopropanecarboxylic acid, (S)-α-cyano-3-phenoxybenzyl ester in bulk or in forms or packages for retail sale (CAS No. 66841–25–6) (provided for in subheading 2926.90.30 or 3808.10.25)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2150. PIGMENT YELLOW 109.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.00	Pigment Yellow 109 (CAS No. 106276–79–3) (provided for in subheading 3204.17.04)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2151. PIGMENT YELLOW 110.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.05	Pigment Yellow 110 (CAS No. 106276–80–6) (provided for in subheading 3204.17.04)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2152. PIGMENT RED 177.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.30.58	Pigment Red 177 (CAS No. 4051–63–2) (provided for in subheading 3204.17.04)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2153. TEXTILE PRINTING MACHINERY.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.84.20	Textile printing machinery (provided for in subheading 8443.59.10)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2154. SUBSTRATES OF SYNTHETIC QUARTZ OR SYNTHETIC FUSED SILICA.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.70.06	Substrates of synthetic quartz or synthetic fused silica imported in bulk or in forms or packages for retail sale (provided for in subheading 7006.00.40)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2155. 2-METHYL-4,6-BIS[(OCTYLTHIO)METHYL]PHENOL.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.14	2-Methyl-4,6- bis[(octylthio) methyl]phenol (CAS No. 110553–27–0) (provided for in subheading 2930.90.29)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2156. 2-METHYL-4,6-BIS[(OCTYLTHIO)METHYL]PHENOL; EPOXIDIZED TRIGLYCERIDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.38.12	2-Methyl-4,6- bis[(octylthio) methyl]phenol; epoxidized triglyceride (provided for in subheading 3812.30.60)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2157. 4-[[4,6-BIS(OCTYLTHIO)-1,3,5-TRIAZIN-2-YL]AMINO] -2,6-BIS(1,1-DIMETHYLETHYL)PHENOL.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.30	4-[[4,6-Bis(octylthio)-1,3,5-triazin-2-yl]amino]-2,6-bis(1,1-dimethylethyl)phenol (CAS No. 991–84–4) (provided for in subheading 2933.69.60)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2158. (2-BENZOTHIAZOLYLTHIO)BUTANEDIOIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.31	(2-Benzothiazolylthio)butanedioic acid (CAS No. 95154–01–1) (provided for in subheading 2934.20.40)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2159. CALCIUM BIS[MONOETHYL(3,5-DI-TERT-BUTYL-4-HYDROXYBENZYL) PHOSPHONATE].

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.16	Calcium bis[monoethyl(3,5-di-tert-butyl-4-hydroxybenzyl) phosphonate] (CAS No. 65140–91–2) (provided for in subheading 2931.00.30)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2160. 4-METHYL-γ-OXO-BENZENEBUTANOIC ACID COMPOUNDED WITH 4-ETHYLMORPHOLINE (2:1).

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.38.26	4-Methyl-γ-oxo-benzenebutanoic acid compounded with 4-ethylmorpholine (2:1) (CAS No. 171054–89–0) (provided for in subheading 3824.90.28)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2161. WEAVING MACHINES.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.84.46	Weaving machines (looms), shuttleless type, for weaving fabrics of a width exceeding 30 cm but not exceeding 4.9 m (provided for in subheading 8446.30.50), entered without off-loom or large loom take-ups, drop wires, heddles, reeds, harness frames, or beams	3.3%	No change	No change	On or before 12/31/2001	''.

SEC. 2162. CERTAIN WEAVING MACHINES.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.84.10	Power weaving machines (looms), shuttle type, for weaving fabrics of a width exceeding 30 cm but not exceeding 4.9m (provided for in subheading 8446.21.50), if entered without off-loom or large loom take-ups, drop wires, heddles, reeds, harness frames or beams	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2163. DEMT.

Subchapter II of chapter 99 is amended by striking heading 9902.32.12 and inserting the following:

''	9902.32.12	N,N-Diethyl-m-toluidine (DEMT) (CAS No. 91–67–8) (provided for in subheading 2921.43.80)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2164. BENZENEPROPANAL, 4-(1,1-DIMETHYLETHYL)-ALPHA-METHYL-.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.57	Benzenepropanal, 4-(1,1-dimethylethyl)-alpha-methyl- (CAS No. 80–54–6) (provided for in subheading 2912.29.60)	6%	No change	No change	On or before 12/31/2001	''.

SEC. 2165. 2H–3,1-BENZOXAZIN-2-ONE, 6-CHLORO-4-(CYCLO-PROPYLETHYNYL)-1,4-DIHYDRO-4-(TRIFLUOROMETHYL)-.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.56	2H–3,1-Benzoxazin-2-one, 6-chloro-4-(cyclopropylethynyl)-1,4-dihydro-4-(trifluoromethyl)- (CAS No. 154598–52–4) (provided for in subheading 2934.90.30)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2166. TEBUFENOZIDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.32	N-tert-Butyl-N'-(4-ethylbenzoyl)-3,5-Dimethylbenzoylhydrazide (Tebufenozide) (CAS No. 112410-23-8) (provided for in subheading 2928.00.25)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2167. HALOFENOZIDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.36	Benzoic acid, 4-chloro-2-benzoyl-2-(1,1-dimethylethyl) hydrazide (Halofenozide) (CAS No. 112226-61-6) (provided for in subheading 2928.00.25)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2168. CERTAIN ORGANIC PIGMENTS AND DYES.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.07	Organic luminescent pigments and dyes for security applications excluding daylight fluorescent pigments and dyes (provided for in subheading 3204.90.00)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2169. 4-HEXYLRESORCINOL.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.07	4-Hexylresorcinol (CAS No. 136–77–6) (provided for in subheading 2907.29.90)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2170. CERTAIN SENSITIZING DYES.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.37	Polymethine photo-sensitizing dyes (provided for in subheadings 2933.19.30, 2933.19.90, 2933.90.24, 2934.10.90, 2934.20.40, 2934.90.20, and 2934.90.90)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2171. SKATING BOOTS FOR USE IN THE MANUFACTURE OF IN-LINE ROLLER SKATES.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.64.05	Boots for use in the manufacture of in-line roller skates (provided for in subheadings 6402.19.90, 6403.19.40, 6403.19.70, and 6404.11.90)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2172. DIBUTYLNAPHTHALENESULFONIC ACID, SODIUM SALT.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.34.02	Surface active preparation containing 30 percent or more by weight of dibutylnaphthalenesulfonic acid, sodium salt (CAS No. 25638–17–9) (provided for in subheading 3402.90.30)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2173. O-(6-CHLORO-3-PHENYL-4-PYRIDAZINYL)-S-OCTYLCARBONOTHIOATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.38.08	O-(6-Chloro-3-phenyl-4-pyridazinyl)-S-octyl-carbonothioate (CAS No. 55512–33–9) (provided for in subheading 3808.30.15)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2174. 4-CYCLOPROPYL-6-METHYL-2-PHENYLAMINOPY-RIMIDINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.50	4-Cyclopropyl-6-methyl-2-phenylaminopyrimidine (CAS No. 121552–61–2) (provided for in subheading 2933.59.15)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2175. O,O-DIMETHYL-S-[5-METHOXY-2-OXO-1,3,4-THIADI-AZOL-3(2H)-YL-METHYL]DITHIOPHOSPHATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.51	O,O-Dimethyl-S-[5-methoxy-2-oxo-1,3,4-thiadiazol-3(2H)-yl-methyl]dithiophosphate (CAS No. 950–37–8) (provided for in subheading 2934.90.90)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2176. ETHYL [2-(4-PHENOXY-PHENOXY) ETHYL] CARBAMATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.52	Ethyl [2-(4-phenoxyphenoxy)-ethyl]carbamate (CAS No. 79127–80–3) (provided for in subheading 2924.10.80)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2177. [(2S,4R)/(2R,4S)]/[(2R,4R)/(2S,4S)]-1-[2-[4-(4-CHLORO-PHENOXY)-2-CHLOROPHENYL]-4-METHYL-1,3-DIOXOLAN-2-YLMETHYL]-1H-1,2,4-TRIAZOLE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.74	[(2S,4R)/(2R,4S)]/[(2R,4R)/(2S,4S)]-1-[2-[4-(4-Chloro-phenoxy)-2-chlorophenyl]-4-methyl-1,3-dioxolan-2-yl- methyl]-1H-1,2,4-triazole (CAS No. 119446-68-3) (provided for in subheading 2934.90.12)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2178. 2,4-DICHLORO-3,5-DINITROBENZOTRIFLUORIDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.12	2,4-Dichloro-3,5-dinitrobenzotrifluoride (CAS No. 29091–09–6) (provided for in subheading 2910.90.20)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2179. 2-CHLORO-N-[2,6-DINITRO-4-(TRIFLUOROMETHYL) PHENYL]-N-ETHYL-6-FLUOROBENZENEMETHANAMINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.15	2-Chloro-N-[2,6-dinitro-4-(trifluoromethyl)phenyl]-N-ethyl-6-fluorobenzenemethanamine (CAS No. 62924–70–3) (provided for in subheading 2921.49.45)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2180. CHLOROACETONE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.11	Chloroacetone (CAS No. 78–95–5) (provided for in subheading 2914.19.00)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2181. ACETIC ACID, [(5-CHLORO-8-QUINOLINYL)OXY]-, 1-METHYLHEXYL ESTER.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.60	Acetic acid, [(5-chloro-8-quinolinyl)oxy]-, 1-methylhexyl ester (CAS No. 99607–70–2) (provided for in subheading 2933.40.30)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2182. PROPANOIC ACID, 2-[4-[(5-CHLORO-3-FLUORO-2-PYRIDINYL)OXY]PHENOXY]-, 2-PROPYNYL ESTER.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.19	Propanoic acid, 2-[4-[(5-chloro-3-fluoro-2-pyridinyl)oxy]phenoxy]-, 2-propynyl ester (CAS No. 105512–06–9) (provided for in subheading 2933.39.25)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2183. MUCOCHLORIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.18	Mucochloric acid (CAS No. 87–56–9) (provided for in subheading 2918.30.90)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2184. CERTAIN ROCKET ENGINES.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.84.12	Dual thrust chamber rocket engines each having a maximum static sea level thrust exceeding 3,550 kN and nozzle exit diameter exceeding 127 cm (provided for in subheading 8412.10.00)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2185. PIGMENT RED 144.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.11	Pigment Red 144 (CAS No. 5280–78–4) (provided for in subheading 3204.17.04)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2186. PIGMENT ORANGE 64.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.09	Pigment Orange 64 (CAS No. 72102–84–2) (provided for in subheading 3204.17.60)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2187. PIGMENT YELLOW 95.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.08	Pigment Yellow 95 (CAS No. 5280–80–8) (provided for in subheading 3204.17.04)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2188. PIGMENT YELLOW 93.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.32.13	Pigment Yellow 93 (CAS No. 5580–57–4) (provided for in subheading 3204.17.04)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2189. (S)-N-[[5-[2-(2-AMINO-4,6,7,8-TETRAHYDRO-4-OXO-1H-PYRIMIDO[5,4-B] [1,4]THIAZIN-6-YL)ETHYL]-2-THIENYL]CARBONYL]-L-GLUTAMIC ACID, DIETHYL ESTER.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.32.33	(S)-N-[[5-[2-(2-Amino-4,6,7,8-tetrahydro-4-oxo-1H-pyrimido[5,4-b] [1,4]thiazin-6-yl)ethyl]-2-thienyl]carbonyl]-L-glutamic acid, diethyl ester (CAS No. 177575–19–8) (provided for in subheading 2934.90.90)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2190. 4-CHLOROPYRIDINE HYDROCHLORIDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.32.34	4-Chloropyridine hydrochloride (CAS No. 7379–35–3) (provided for in subheading 2933.39.61)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2191. 4-PHENOXYPYRIDINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.32.35	4-Phenoxypyridine (CAS No. 4783–86–2) (provided for in subheading 2933.39.61)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2192. (3S)-2,2-DIMETHYL-3-THIOMORPHOLINE CARBOXYLIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.32.36	(3S)-2,2-Dimethyl-3-thiomorpholine carboxylic acid (CAS No. 84915–43–5) (provided for in subheading 2934.90.90)	Free	No Change	No Change	On or before 12/31/2001	’’.

SEC. 2193. 2-AMINO-5-BROMO-6-METHYL-4-(1H)-QUINAZOLI-NONE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.32.37	2-Amino-5-bromo-6-methyl-4-(1H)-quinazolinone (CAS No. 147149–89–1) (provided for in subheading 2933.59.70)	Free	No Change	No Change	On or before 12/31/2001	’’.

SEC. 2194. 2-AMINO-6-METHYL-5-(4-PYRIDINYLTHIO)-4(1H)-QUINAZOLINONE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.32.38	2-Amino-6-methyl-5-(4-pyridinylthio)-4(1H)-quinazolinone (CAS No. 147149–76–6) (provided for in subheading 2933.59.70)	Free	No Change	No Change	On or before 12/31/2001	’’.

SEC. 2195. (S)-N-[[5-[2-(2-AMINO-4,6,7,8-TETRAHYDRO-4-OXO-1H-PYRIMIDO[5,4-B][1,4]THIAZIN-6-YL)ETHYL]-2-THIENYL]CARBONYL]-L-GLUTAMIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.32.39	(S)-N-[[5-[2-(2-Amino-4,6,7,8-tetrahydro-4-oxo-1H-pyrimido[5,4-b][1,4]thiazin-6-yl)ethyl]-2-thienyl]carbonyl]-L-glutamic acid (CAS No. 177575–17–6) (provided for in subheading 2934.90.90)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2196. 2-AMINO-6-METHYL-5-(4-PYRIDINYLTHIO)-4-(1H)-QUINAZOLINONE DIHYDROCHLORIDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.32.40	2-Amino-6-methyl-5-(4-pyridinylthio)-4-(1H)-quinazolinone dihydrochloride (CAS No. 152946–68–4) (provided for in subheading 2933.59.70)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2197. 3-(ACETYLOXY)-2-METHYLBENZOIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.32.41	3-(Acetyloxy)-2-methylbenzoic acid (CAS No. 168899–58–9) (provided for in subheading 2918.29.65)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2198. [R-(R*,R*)]-1,2,3,4-BUTANETETROL-1,4-DIMETH- ANESULFONATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.32.42	[R-(R*,R*)]-1,2,3,4-Butanetetrol-1,4-dimethanesulfonate (CAS No. 1947–62–2) (provided for in subheading 2905.49.50)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2199. 9-[2- [[BIS[(PIVALOYLOXY) METHOXY]PHOS- PHINYL]METHOXY] ETHYL]ADENINE (ALSO KNOWN AS ADEFOVIR DIPIVOXIL).

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.33.01	9-[2- [[Bis[(pivaloyloxy)- methoxy]phosphinyl]- methoxy] ethyl]adenine (also known as Adefovir Dipivoxil) (CAS No. 142340–99–6) (provided for in subheading 2933.59.95)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2200. 9-[2-(R)-[[BIS[(ISOPROPOXYCARBONYL)OXY- METHOXY]-PHOSPHINOYL]METHOXY]-PROPYL]ADENINE FUMARATE (1:1).

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.33.02	9-[2-(R)-[[Bis[(isopropoxy- carbonyl)oxymethoxy]- phosphinoyl]methoxy]- propyl]adenine fumarate (1:1) (CAS No. 202138-50-9) (provided for in subheading 2933.59.95)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2201. (R)-9-(2-PHOSPHONOMETHOXYPROPYL)ADE- NINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.33.03	(R)-9-(2-Phosphono- methoxypropyl)adenine (CAS No. 147127–20–6) (provided for in subheading 2933.59.95)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2202. (R)-1,3-DIOXOLAN-2-ONE, 4-METHYL-.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.33.04	(R)-1,3-Dioxolan-2-one, 4-methyl- (CAS No. 16606–55–6) (provided for in subheading 2920.90.50)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2203. 9-(2-HYDROXYETHYL)ADENINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.33.05	9-(2-Hydroxyethyl)adenine (CAS No. 707–99–3) (provided for in subheading 2933.59.95)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2204. (R)-9H-PURINE-9-ETHANOL, 6-AMINO-α-METHYL-.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.33.06	(R)-9H-Purine-9-ethanol, 6- amino-α-methyl- (CAS No. 14047–28–0) (provided for in subheading 2933.59.95)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2205. CHLOROMETHYL-2-PROPYL CARBONATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.33.07	Chloromethyl-2-propyl carbonate (CAS No. 35180–01–9) (provided for in subheading 2920.90.50)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2206. (R)-1,2-PROPANEDIOL, 3-CHLORO-.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.33.08	(R)-1,2-Propanediol, 3-chloro- (CAS No. 57090–45–6) (provided for in subheading 2905.50.60)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2207. OXIRANE, (S)-((TRIPHENYLMETHOXY)METHYL)-.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.33.09	Oxirane, (S)- ((triphenylmethoxy)methyl)- (CAS No. 129940–50–7) (provided for in subheading 2910.90.20)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2208. CHLOROMETHYL PIVALATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.33.10	Chloromethyl pivalate (CAS No. 18997–19–8) (provided for in subheading 2915.90.50)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2209. DIETHYL (((P-TOLUENESULFONYL)OXY)- METHYL)PHOSPHONATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.33.11	Diethyl (((p-toluenesulfonyl)oxy)- methyl)phosphonate (CAS No. 31618–90–3) (provided for in subheading 2931.00.30)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2210. BETA HYDROXYALKYLAMIDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.38.25	N,N,N’,N’-Tetrakis-(2-hydroxyethyl)-hexane diamide (beta hydroxyalkylamide) (CAS No. 6334–25–4) (provided for in subheading 3824.90.90)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2211. GRILAMID TR90.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.39.12	Dodecanedioic acid, polymer with 4,4[1]-methylenebis (2-methylcyclohexanamine) (CAS No. 163800–66–6) (provided for in subheading 3908.90.70)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2212. IN–W4280.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.32.51	2,4-Dichloro-5-hydroxyphenylhydrazine (CAS No. 39807–21–1) (provided for in subheading 2928.00.25)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2213. KL540.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.32.54	Methyl 4-trifluoromethoxyphenyl-N-(chlorocarbonyl) carbamate (CAS No. 173903–15–6) (provided for in subheading 2924.29.70)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2214. METHYL THIOGLYCOLATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.32.55	Methyl thioglycolate (CAS No. 2365–48–2) (provided for in subheading 2930.90.90)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2215. DPX–E6758.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.33.59	Phenyl (4,6-dimethoxypyrimidin-2-yl) carbamate (CAS No. 89392-03-0) (provided for in subheading 2933.59.70)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2216. ETHYLENE, TETRAFLUORO COPOLYMER WITH ETHYLENE (ETFE).

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.29.68	Ethylene-tetrafluoro ethylene copolymer (ETFE) (provided for in subheading 3904.69.50)	3.3%	No change	No change	On or before 12/31/2001	’’.

SEC. 2217. 3-MERCAPTO-D-VALINE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.32.66	3-Mercapto-D-valine (CAS No. 52–67–5) (provided for in subheading 2930.90.45)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2218. P-ETHYLPHENOL.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.31.21	p-Ethylphenol (CAS No. 123–07–9) (provided for in subheading 2907.19.20)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2219. PANTERA.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.29.09	(+/−)- Tetrahydrofurfuryl (R)-2[4-(6-chloroquinoxalin-2-yloxy)phenoxy] propanoate (CAS No. 119738–06–6) (provided for in subheading 2909.30.40) and any mixtures containing such compound (provided for in subheading 3808.30)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2220. P-NITROBENZOIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.32.70	p-Nitrobenzoic acid (CAS No. 62–23–7) (provided for in subheading 2916.39.45)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2221. P-TOLUENESULFONAMIDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.32.95	p-Toluenesulfonamide (CAS No. 70–55–3) (provided for in subheading 2935.00.95)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2222. POLYMERS OF TETRAFLUOROETHYLENE, HEXAFLUOROPROPYLENE, AND VINYLIDENE FLUORIDE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.39.04	Polymers of tetrafluoroethylene (provided for in subheading 3904.61.00), hexafluoropropylene and vinylidene fluoride (provided for in subheading 3904.69.50)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2223. METHYL 2-[[[[[4-(DIMETHYLAMINO)-6-(2,2,2- TRI- FLUOROETHOXY)-1,3,5-TRIAZIN-2-YL]AMINO]- CARBONYL]AMINO]SULFONYL]-3-METHYL- BENZOATE (TRIFLUSULFURON METHYL).

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

‘‘	9902.38.11	Methyl 2-[[[[[4- (dimethylamino)-6-(2,2,2- trifluoroethoxy)- 1,3,5-triazin-2-yl]amino]carbonyl]-amino]sulfonyl]-3-methylbenzoate (triflusulfuron methyl) in mixture with application adjuvants. (CAS No. 126535–15–7) (provided for in subheading 3808.30.15)	Free	No change	No change	On or before 12/31/2001	’’.

SEC. 2224. CERTAIN MANUFACTURING EQUIPMENT.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new headings:

‘‘	9902.84.79	Calendaring or other rolling machines for rubber to be used in the production of radial tires designed for off-the-highway use and with a rim measuring 86 cm or more in diameter (provided for in subheading 4011.20.10 or subheading 4011.91.50 or subheading 4011.99.40), numerically controlled, or parts thereof (provided for in subheading 8420.10.90, 8420.91.90 or 8420.99.90) and material holding devices or similar attachments thereto	Free	No change	No change	On or before 12/31/2001	
	9902.84.81	Shearing machines to be used to cut metallic tissue for use in the production of radial tires designed for off-the-highway use and with a rim measuring 86 cm or more in diameter (provided for in subheading 4011.20.10 or subheading 4011.91.50 or subheading 4011.99.40), numerically controlled, or parts thereof (provided for in subheading 8462.31.00 or subheading 8466.94.85)	Free	No change	No change	On or before 12/31/2001	

	9902.84.83	Machine tools for working wire of iron or steel to be used in the production of radial tires designed for off-the-highway use and with a rim measuring 86 cm or more in diameter (provided for in subheading 4011.20.10 or subheading 4011.91.50 or subheading 4011.99.40), numerically controlled, or parts thereof (provided for in subheading 8463.30.00 or 8466.94.85)	Free	No change	No change	On or before 12/31/2001	
	9902.84.85	Extruders to be used in the production of radial tires designed for off-the-highway use and with a rim measuring 86 cm or more in diameter (provided for in subheading 4011.20.10 or subheading 4011.91.50 or subheading 4011.99.40), numerically controlled, or parts thereof (provided for in subheading 8477.20.00 or 8477.90.85)	Free	No change	No change	On or before 12/31/2001	
	9902.84.87	Machinery for molding, retreading, or otherwise forming uncured, unvulcanized rubber to be used in the production of radial tires designed for off-the-highway use and with a rim measuring 86 cm or more in diameter (provided for in subheading 4011.20.10 or subheading 4011.91.50 or subheading 4011.99.40), numerically controlled, or parts thereof (provided for in subheading 8477.51.00 or 8477.90.85)	Free	No change	No change	On or before 12/31/2001	
	9902.84.89	Sector mold press machines to be used in the production of radial tires designed for off-the-highway use and with a rim measuring 86 cm or more in diameter (provided for in subheading 4011.20.10 or subheading 4011.91.50 or subheading 4011.99.40), numerically controlled, or parts thereof (provided for in subheading 8477.51.00 or subheading 8477.90.85)	Free	No change	No change	On or before 12/31/2001	
	9902.84.91	Sawing machines to be used in the production of radial tires designed for off-the-highway use and with a rim measuring 86 cm or more in diameter (provided for in subheading 4011.20.10 or subheading 4011.91.50 or subheading 4011.99.40), numerically controlled, or parts thereof (provided for in subheading 8465.91.00 or subheading 8466.92.50)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2225. TEXTURED ROLLED GLASS SHEETS.

Subchapter II of chapter 99 is amended by striking heading 9902.70.03 and inserting the following:

''	9902.70.03	Rolled glass in sheets, yellow-green in color, not finished or edged-worked, textured on one surface, suitable for incorporation in cooking stoves, ranges, or ovens described in subheadings 8516.60.40 (provided for in subheading 7003.12.00 or 7003.19.00)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2226. CERTAIN HIV DRUG SUBSTANCES.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new headings:

''	9902.32.43	(S)-N-tert-Butyl-1,2,3,4-tetrahydro-3-isoquinoline carboxamide hydrochloride salt (CAS No. 149057–17–0)(provided for in subheading 2933.40.60)	Free	No change	No change	On or before 6/30/99	

	9902.32.44	(S)-N-tert-Butyl-1,2,3,4-tetrahydro-3-isoquinoline carboxamide sulfate salt (CAS No. 186537–30–4)(provided for in subheading 2933.40.60)	Free	No change	No change	On or before 6/30/99	
	9902.32.45	(3S)-1,2,3,4-Tetrahydroisoquinoline-3-carboxylic acid (CAS No. 74163–81–8)(provided for in subheading 2933.40.60)	Free	No change	No change	On or before 6/30/99	''.

SEC. 2227. RIMSULFURON.

(a) IN GENERAL.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.33.60	N-[[(4,6-Dimethoxy-2-pyrimidinyl)amino] carbonyl]-3-(ethylsulfonyl)-2-pyridinesulfonamide (CAS No. 122931–48–0) (provided for in subheading 2935.00.75)	7.3%	No change	No change	On or before 12/31/99	''.

(b) RATE FOR 2000.—Heading 9902.33.60, as added by subsection (a), is amended—
(1) by striking ''7.3%'' and inserting ''Free''; and
(2) by striking ''12/31/99'' and inserting ''12/31/2000''.
(c) EFFECTIVE DATE FOR ADJUSTMENT.—The amendments made by subsection (b) apply to goods entered, or withdrawn from warehouse for consumption, after December 31, 1999.

SEC. 2228. CARBAMIC ACID (V–9069).

(a) IN GENERAL.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.33.61	((3-((Dimethylamino)carbonyl)-2-pyridinyl)sulfonyl) carbamic acid, phenyl ester (CAS No. 112006–94–7) (provided for in subheading 2935.00.75)	8.3%	No change	No change	On or before 12/31/99	''.

(b) RATE ADJUSTMENT FOR 2000.—Heading 9902.33.61, as added by subsection (a), is amended—
(1) by striking ''8.3%'' and inserting ''7.6%''; and
(2) by striking ''12/31/99'' and inserting ''12/31/2000''.
(c) EFFECTIVE DATE FOR ADJUSTMENT.—The amendments made by subsection (b) apply to goods entered, or withdrawn from warehouse for consumption, after December 31, 1999.

SEC. 2229. DPX–E9260.

(a) IN GENERAL.—Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.33.63	3-(Ethylsulfonyl)-2-pyridinesulfonamide (CAS No. 117671–01–9) (provided for in subheading 2935.00.75)	6%	No change	No change	On or before 12/31/99	''.

(b) RATE ADJUSTMENT.—Heading 9902.33.63, as added by subsection (a), is amended—
(1) by striking ''6%'' and inserting ''5.3%''; and
(2) by striking ''12/31/99'' and inserting ''12/31/2000''.
(c) EFFECTIVE DATES.—
(1) IN GENERAL.—The amendment made by subsection (a) applies to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.
(2) ADJUSTMENT.—The amendments made by subsection (b) apply to goods entered, or withdrawn from warehouse for consumption, after December 31, 1999.

SEC. 2230. ZIRAM.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.38.28	Ziram (provided for in subheading 3808.20.28)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2231. FERROBORON.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.72.02	Ferroboron to be used for manufacturing amorphous metal strip (provided for in subheading 7202.99.50)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2232. ACETIC ACID, [[2-CHLORO-4-FLUORO-5-[(TETRA- HYDRO-3-OXO-1H,3H-[1,3,4]THIADIAZOLO[3,4-a]PYRIDAZIN-1-YLIDENE)AMINO]PHENYL]- THIO]-, METHYL ESTER.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.66	Acetic acid, [[2-chloro-4-fluoro-5-[(tetrahydro-3-oxo-1H,3H-[1,3,4]thiadiazolo- [3,4-a]pyridazin-1-ylidene)amino]phenyl]thio]-, methyl ester (CAS No. 117337–19–6) (provided for in subheading 2934.90.15)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2233. PENTYL[2-CHLORO-5-(CYCLOHEX-1-ENE-1,2-DI- CARBOXIMIDO)-4-FLUOROPHENOXY]ACETATE.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.33.66	Pentyl[2-chloro-5-(cyclohex-1-ene-1,2-dicarboximido)-4-fluorophenoxy]acetate (CAS No. 87546-18-7) (provided for in subheading 2925.19.40)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2234. BENTAZON (3-ISOPROPYL)-1H-2,1,3-BENZO-THIADIAZIN-4(3H)-ONE-2,2-DIOXIDE).

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.29.67	Bentazon (3-Isopropyl)-1H-2,1,3-benzothiadiazin-4(3H)-one-2,2-dioxide) (CAS No. 50723–80–3) (provided for in subheading 2934.90.11)	5.0%	No change	No change	On or before 12/31/2001	''.

SEC. 2235. CERTAIN HIGH-PERFORMANCE LOUDSPEAKERS NOT MOUNTED IN THEIR ENCLOSURES.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.85.20	Loudspeakers not mounted in their enclosures (provided for in subheading 8518.29.80), the foregoing which meet a performance standard of not more than 1.5 dB for the average level of 3 or more octave bands, when such loudspeakers are tested in a reverberant chamber	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2236. PARTS FOR USE IN THE MANUFACTURE OF CERTAIN HIGH-PERFORMANCE LOUDSPEAKERS.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.85.21	Parts for use in the manufacture of loudspeakers of a type described in subheading 9902.85.20 (provided for in subheading 8518.90.80)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2237. 5-TERT-BUTYL-ISOPHTHALIC ACID.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.33.12	5-tert-Butyl-iso-phthalic acid (CAS No. 2359–09–3) (provided for in subheading 2917.39.70)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2238. CERTAIN POLYMER.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.39.07	A polymer of the following monomers: 1,4-benzenedicarboxylic acid, dimethyl ester (dimethyl terephthalate) (CAS No. 120-61-6); 1,3-Benzenedicarboxylic acid, 5-sulfo-, 1,3-dimethyl ester, sodium salt (sodium dimethyl sulfoisophthalate) (CAS No. 3965-55-7); 1,2-ethanediol (ethylene glycol) (CAS No. 107-21-1); and 1,2-propanediol (propylene glycol) (CAS No. 57-55-6); with terminal units from 2-(2-hydroxyethoxy) ethanesulfonic acid, sodium salt (CAS No. 53211-00-0) (provided for in subheading 3907.99.00)	Free	No change	No change	On or before 12/31/2001	''.

SEC. 2239. 2-(4-CHLOROPHENYL)-3-ETHYL-2, 5-DIHYDRO-5-OXO-4-PYRIDAZINE CARBOXYLIC ACID, POTASSIUM SALT.

Subchapter II of chapter 99 is amended by inserting in numerical sequence the following new heading:

''	9902.33.16	2-(4-Chlorophenyl)-3-ethyl-2, 5-dihydro-5-oxo-4-pyridazine carboxylic acid, potassium salt (CAS No. 82697–71–0) (provided for in subheading 2933.90.79)	Free	No change	No change	On or before 12/31/2001	''.

CHAPTER 3—EFFECTIVE DATE

SEC. 2301. EFFECTIVE DATE.

Except as otherwise provided in this subtitle, the amendments made by this subtitle apply to goods entered, or withdrawn from warehouse for consumption, after the date that is 15 days after the date of enactment of this Act.

Subtitle B—Other Trade Provisions

SEC. 2401. EXTENSION OF UNITED STATES INSULAR POSSESSION PROGRAM.

(a) IN GENERAL.—The additional U.S. notes to chapter 71 of the Harmonized Tariff Schedule of the United States are amended by adding at the end the following new note:

''3.(a) Notwithstanding any provision in additional U.S. note 5 to chapter 91, any article of jewelry provided for in heading 7113 which is the product of the Virgin Islands, Guam, or American Samoa (including any such article which contains any foreign component) shall be eligible for the benefits provided in paragraph (h) of additional U.S. note 5 to chapter 91, subject to the provisions and limitations of that note and of paragraphs (b), (c), and (d) of this note.

''(b) Nothing in this note shall result in an increase or a decrease in the aggregate amount referred to in paragraph (h)(iii) of, or the quantitative limitation otherwise established pursuant to the requirements of, additional U.S. note 5 to chapter 91.

''(c) Nothing in this note shall be construed to permit a reduction in the amount available to watch producers under paragraph (h)(iv) of additional U.S. note 5 to chapter 91.

''(d) The Secretary of Commerce and the Secretary of the Interior shall issue such regulations, not inconsistent with the provisions of this note and additional U.S. note 5 to chapter 91, as the Secretaries determine necessary to carry out their respective duties under this note. Such regulations shall not be inconsistent with substantial transformation requirements but may define the circumstances under which articles of jewelry shall be deemed to be 'units' for purposes of the benefits, provisions, and limitations of additional U.S. note 5 to chapter 91.

''(e) Notwithstanding any other provision of law, during the 2-year period beginning 45 days after the date of the enactment of this note, any article of jewelry provided for in heading 7113 that is assembled in the Virgin Islands, Guam, or American Samoa shall be treated as a product of the Virgin Islands, Guam, or American Samoa for purposes of this note and General Note 3(a)(iv) of this Schedule.''.

(b) CONFORMING AMENDMENT.—General Note 3(a)(iv)(A) of the Harmonized Tariff Schedule of the United States is amended by inserting ''and additional U.S. note 3(e) of chapter 71,'' after ''Tax Reform Act of 1986,''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect 45 days after the date of the enactment of this Act.

SEC. 2402. TARIFF TREATMENT FOR CERTAIN COMPONENTS OF SCIENTIFIC INSTRUMENTS AND APPARATUS.

(a) IN GENERAL.—U.S. note 6 of subchapter X of chapter 98 of the Harmonized Tariff Schedule of the United States is amended in subdivision (a) by adding at the end the following new sentence: ''The term 'instruments and apparatus' under subheading 9810.00.60 includes separable components of an instrument or apparatus listed in this subdivision that are imported for assembly in the United States in such instrument or apparatus where the instrument or apparatus, due to its size, cannot be feasibly imported in its assembled state.''.

(b) APPLICATION OF DOMESTIC EQUIVALENCY TEST TO COMPONENTS.—U.S. note 6 of subchapter X of chapter 98 of the Harmonized Tariff Schedule of the United States is amended—

(1) by redesignating subdivisions (d) through (f) as subdivisions (e) through (g), respectively; and

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

''(d)(i) If the Secretary of Commerce determines under this U.S. note that an instrument or apparatus is being manufactured in the United States that is of equivalent scientific value to a foreign-origin instrument or apparatus for which application is made (but which, due to its size, cannot be feasibly imported in its assembled state), the Secretary shall report the findings to the Secretary of the Treasury and to the applicant institution, and all components of such foreign-origin instrument or apparatus shall remain dutiable.

''(ii) If the Secretary of Commerce determines that the instrument or apparatus for which application is made is not being manufactured in the United States, the Secretary is authorized to determine further whether any component of such instrument or apparatus of a type that may be purchased, obtained, or imported separately is being manufactured in the United States and shall report the findings to the Secretary of the Treasury and to the applicant institution, and any component found to be domestically available shall remain dutiable.

''(iii) Any decision by the Secretary of the Treasury which allows for duty-free entry of a component of an instrument or apparatus which, due to its size cannot be feasibly imported in its assembled state, shall be effective for a specified maximum period, to be determined in consultation with the Secretary of Commerce, taking into account both the scientific needs of the importing institution and the potential for development of comparable domestic manufacturing capacity.''.

(c) MODIFICATIONS OF REGULATIONS.—The Secretary of the Treasury and the Secretary of Commerce shall make such modifications to their joint regulations as are necessary to carry out the amendments made by this section.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect beginning 120 days after the date of the enactment of this Act.

SEC. 2403. LIQUIDATION OR RELIQUIDATION OF CERTAIN ENTRIES.

(a) LIQUIDATION OR RELIQUIDATION OF ENTRIES.—Notwithstanding sections 514 and 520 of the Tariff Act of 1930 (19 U.S.C. 1514 and 1520), or any other provision of law, the United States Customs Service shall, not later than 90 days after the date of the enactment of this Act, liquidate or reliquidate those entries made at Los Angeles, California, and New Orleans, Louisiana, which are listed in subsection (c), in accordance with the final decision of the International Trade Administration of the Department of Commerce for shipments entered between October 1, 1984, and December 14, 1987 (case number A–274–001).

(b) PAYMENT OF AMOUNTS OWED.—Any amounts owed by the United States pursuant to the liquidation or reliquidation of an entry under subsection (a) shall be paid by the Customs Service within 90 days after such liquidation or reliquidation.

(c) ENTRY LIST.—The entries referred to in subsection (a) are the following:

Entry number	Date of entry	Port
322 00298563	12/11/86	Los Angeles, California
322 00300567	12/11/86	Los Angeles, California
86–2909242	9/2/86	New Orleans, Louisiana
87–05457388	1/9/87	New Orleans, Louisiana

SEC. 2404. DRAWBACK AND REFUND ON PACKAGING MATERIAL.

(a) IN GENERAL.—Section 313(q) of the Tariff Act of 1930 (19 U.S.C. 1313(q)) is further amended—

(1) by striking ''Packaging material'' and inserting the following:

''(1) IN GENERAL.—Packaging material''; and

(2) by adding at the end the following:

''(2) ADDITIONAL ELIGIBILITY.—Packaging material produced in the United States, which is used by the manufacturer or any other person on or for articles which are exported or destroyed under subsection (a) or (b), shall be eligible under such subsection for refund, as drawback, of 99 percent of any duty, tax, or fee imposed on the importation of such material used to manufacture or produce the packaging material.''.

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

SEC. 2405. INCLUSION OF COMMERCIAL IMPORTATION DATA FROM FOREIGN-TRADE ZONES UNDER THE NATIONAL CUSTOMS AUTOMATION PROGRAM.

Section 411 of the Tariff Act of 1930 (19 U.S.C. 1411) is amended by adding at the end the following:

''(c) FOREIGN-TRADE ZONES.—Not later than January 1, 2000, the Secretary shall provide for the inclusion of commercial importation data from foreign-trade zones under the Program.''.

SEC. 2406. LARGE YACHTS IMPORTED FOR SALE AT UNITED STATES BOAT SHOWS.

(a) IN GENERAL.—The Tariff Act of 1930 (19 U.S.C. 1304 et seq.) is amended by inserting after section 484a the following:

''SEC. 484b. DEFERRAL OF DUTY ON LARGE YACHTS IMPORTED FOR SALE AT UNITED STATES BOAT SHOWS.

''(a) IN GENERAL.—Notwithstanding any other provision of law, any vessel meeting the definition of a large yacht as provided in subsection (b) and which is otherwise dutiable may be imported without the payment of duty if imported with the intention to offer for sale at a boat show in the United States. Payment of duty shall be deferred, in accordance with this section, until such large yacht is sold.

''(b) DEFINITION.—As used in this section, the term 'large yacht' means a vessel that exceeds 79 feet in length, is used primarily for recreation or pleasure, and has been previously sold by a manufacturer or dealer to a retail consumer.

''(c) DEFERRAL OF DUTY.—At the time of importation of any large yacht, if such large yacht is imported for sale at a boat show in the United States and is otherwise dutiable, duties shall not be assessed and collected if the importer of record—

''(1) certifies to the Customs Service that the large yacht is imported pursuant to this section for sale at a boat show in the United States; and

''(2) posts a bond, which shall have a duration of 6 months after the date of importation, in an amount equal to twice the amount of duty on the large yacht that would otherwise be imposed under subheading 8903.91.00 or 8903.92.00 of the Harmonized Tariff Schedule of the United States.

''(d) PROCEDURES UPON SALE.—

''(1) DEPOSIT OF DUTY.—If any large yacht (which has been imported for sale at a boat show in the United States with the deferral of duties as provided in this section) is sold

within the 6-month period after importation—

''(A) entry shall be completed and duty (calculated at the applicable rates provided for under subheading 8903.91.00 or 8903.92.00 of the Harmonized Tariff Schedule of the United States and based upon the value of the large yacht at the time of importation) shall be deposited with the Customs Service; and

''(B) the bond posted as required by subsection (c)(2) shall be returned to the importer.

''(e) PROCEDURES UPON EXPIRATION OF BOND PERIOD.—

''(1) IN GENERAL.—If the large yacht entered with deferral of duties is neither sold nor exported within the 6-month period after importation—

''(A) entry shall be completed and duty (calculated at the applicable rates provided for under subheading 8903.91.00 or 8903.92.00 of the Harmonized Tariff Schedule of the United States and based upon the value of the large yacht at the time of importation) shall be deposited with the Customs Service; and

''(B) the bond posted as required by subsection (c)(2) shall be returned to the importer.

''(2) ADDITIONAL REQUIREMENTS.—No extensions of the bond period shall be allowed. Any large yacht exported in compliance with the bond period may not be reentered for purposes of sale at a boat show in the United States (in order to receive duty deferral benefits) for a period of 3 months after such exportation.

''(f) REGULATIONS.—The Secretary of the Treasury is authorized to make such rules and regulations as may be necessary to carry out the provisions of this section.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to any large yacht imported into the United States after the date that is 15 days after the date of the enactment of this Act.

SEC. 2407. REVIEW OF PROTESTS AGAINST DECISIONS OF CUSTOMS SERVICE.

Section 515(a) of the Tariff Act of 1930 (19 U.S.C. 1515(a)) is amended by inserting after the third sentence the following: ''Within 30 days from the date an application for further review is filed, the appropriate customs officer shall allow or deny the application and, if allowed, the protest shall be forwarded to the customs officer who will be conducting the further review.''.

SEC. 2408. ENTRIES OF NAFTA-ORIGIN GOODS.

(a) REFUND OF MERCHANDISE PROCESSING FEES.—Section 520(d) of the Tariff Act of 1930 (19 U.S.C. 1520(d)) is amended in the matter preceding paragraph (1) by inserting ''(including any merchandise processing fees)'' after ''excess duties''.

(b) PROTEST AGAINST DECISION OF CUSTOMS SERVICE RELATING TO NAFTA CLAIMS.—Section 514(a)(7) of such Act (19 U.S.C. 1514(a)(7)) is amended by striking ''section 520(c)'' and inserting ''subsection (c) or (d) of section 520''.

(c) EFFECTIVE DATE.—The amendments made by this section apply with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

SEC. 2409. TREATMENT OF INTERNATIONAL TRAVEL MERCHANDISE HELD AT CUSTOMS-APPROVED STORAGE ROOMS.

Section 557(a)(1) of the Tariff Act of 1930 (19 U.S.C. 1557(a)(1)) is amended in the first sentence by inserting ''(including international travel merchandise)'' after ''Any merchandise subject to duty''.

SEC. 2410. EXCEPTION TO 5-YEAR REVIEWS OF COUNTERVAILING DUTY OR ANTIDUMPING DUTY ORDERS.

Section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) is amended by adding at the end the following:

''(7) EXCLUSIONS FROM COMPUTATIONS.—

''(A) IN GENERAL.—Subject to subparagraph (B), there shall be excluded from the computation of the 5-year period described in paragraph (1) and the periods described in paragraph (6) any period during which the importation of the subject merchandise is prohibited on account of the imposition, under the International Emergency Economic Powers Act or other provision of law, of sanctions by the United States against the country in which the subject merchandise originates.

''(B) APPLICATION OF EXCLUSION.—Subparagraph (A) shall apply only with respect to subject merchandise which originates in a country that is not a WTO member.''.

SEC. 2411. WATER RESISTANT WOOL TROUSERS.

Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon proper request filed with the Customs Service within 180 days after the date of enactment of this Act, any entry or withdrawal from warehouse for consumption—

(1) that was made after December 31, 1988, and before January 1, 1995; and

(2) that would have been classifiable under subheading 6203.41.05 or 6204.61.10 of the Harmonized Tariff Schedule of the United States and would have had a lower rate of duty, if such entry or withdrawal had been made on January 1, 1995,

shall be liquidated or reliquidated as if such entry or withdrawal had been made on January 1, 1995.

SEC. 2412. REIMPORTATION OF CERTAIN GOODS.

(a) IN GENERAL.—Subchapter I of chapter 98 is amended by inserting in numerical sequence the following new heading:

''	9801.00.26	Articles, previously imported, with respect to which the duty was paid upon such previous importation, if (1) exported within 3 years after the date of such previous importation, (2) sold for exportation and exported to individuals for personal use, (3) reimported without having been advanced in value or improved in condition by any process of manufacture or other means while abroad, (4) reimported as personal returns from those individuals, whether or not consolidated with other personal returns prior to reimportation, and (5) reimported by or for the account of the person who exported them from the United States within 1 year of such exportation	Free		Free	''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to goods described in heading 9801.00.26 of the Harmonized Tariff Schedule of the United States (as added by subsection (a)) that are reimported into the United States on or after the date that is 15 days after the date of enactment of this Act.

SEC. 2413. TREATMENT OF PERSONAL EFFECTS OF PARTICIPANTS IN CERTAIN WORLD ATHLETIC EVENTS.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

''	9902.98.08	Any of the following articles not intended for sale or distribution to the public: personal effects of aliens who are participants in, officials of, or accredited members of delegations to, the 1999 International Special Olympics, the 1999 Women's World Cup Soccer, the 2001 International Special Olympics, the 2002 Salt Lake City Winter Olympics, and the 2002 Winter Paralympic Games, and of persons who are immediate family members of or servants to any of the foregoing persons; equipment and materials imported in connection with the foregoing events by or on behalf of the foregoing persons or the organizing committees of such events; articles to be used in exhibitions depicting the culture of a country participating in any such event; and, if consistent with the foregoing, such other articles as the Secretary of Treasury may allow	Free	No change	Free	On or before 12/31/2002	''.

(b) TAXES AND FEES NOT TO APPLY.—The articles described in heading 9902.98.08 of the Harmonized Tariff Schedule of the United States (as added by subsection (a)) shall be free of taxes and fees which may be otherwise applicable.

(c) NO EXEMPTION FROM CUSTOMS INSPECTIONS.—The articles described in heading 9902.98.08 of the Harmonized Tariff Schedule of the United States (as added by subsection (a)) shall not be free or otherwise exempt or excluded from routine or other inspections as may be required by the Customs Service.

(d) EFFECTIVE DATE.—The amendment made by this section applies to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

SEC. 2414. RELIQUIDATION OF CERTAIN ENTRIES OF THERMAL TRANSFER MULTIFUNCTION MACHINES.

(a) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law and subject to the provisions of subsection (b), the United States Customs Service shall, not later than 180 days after the receipt of the request described in subsection (b), liquidate or reliquidate each entry described in subsection (d) containing any merchandise which, at the time of the original liquidation, was classified under subheading 8517.21.00 of the Harmonized Tariff Schedule of the United States (relating to indirect electrostatic copiers) or subheading 9009.12.00 of such Schedule (relating to indirect electrostatic copiers), at the rate of duty that would have been applicable to such merchandise if the merchandise had been liquidated or reliquidated under subheading 8471.60.65 of the Harmonized Tariff Schedule of the United States (relating to other automated data processing (ADP) thermal transfer printer units) on the date of entry.

(b) REQUESTS.—Reliquidation may be made under subsection (a) with respect to an entry described in subsection (d) only if a request therefor is filed with the Customs Service within 90 days after the date of enactment of this Act and the request contains sufficient information to enable the Customs Service to locate the entry or reconstruct the entry if it cannot be located.

(c) PAYMENT OF AMOUNTS OWED.—Any amounts owed by the United States pursuant to the liquidation or reliquidation of an entry under subsection (a) shall be paid not later than 180 days after the date of such liquidation or reliquidation.

(d) AFFECTED ENTRIES.—The entries referred to in subsection (a), filed at the port of Los Angeles, are as follows:

Date of entry	Entry number	Liquidation date
01/17/97	112–9638417–3	02/21/97
01/10/97	112–9637684–9	03/07/97
01/03/97	112–9636723–6	04/18/97
01/07/97	112–9637561–9	04/25/97
01/10/97	112–9637686–4	03/07/97
02/21/97	112–9642157–9	09/12/97
02/14/97	112–9641619–9	06/06/97
02/14/97	112–9641693–4	06/06/97
02/21/97	112–9642156–1	09/12/97
02/28/97	112–9643326–9	09/12/97
03/18/97	112–9645336–6	09/19/97
03/21/97	112–9645682–3	09/19/97
03/21/97	112–9645681–5	09/19/97
03/21/97	112–9645698–9	09/19/97
03/14/97	112–9645026–3	09/19/97
03/14/97	112–9645041–2	09/19/97
03/20/97	112–9646075–9	09/19/97
03/14/97	112–9645026–3	09/19/97
04/04/97	112–9647309–1	09/19/97
04/04/97	112–9647312–5	09/19/97
04/04/97	112–9647316–6	09/19/97
04/11/97	112–9300151–5	10/31/97
04/11/97	112–9300287–7	09/26/97
04/11/97	112–9300308–1	02/20/98
04/10/97	112–9300356–0	09/26/97
04/16/97	112–9301387–4	09/26/97
04/22/97	112–9301602–6	09/26/97
04/18/97	112–9301627–3	09/26/97
04/21/97	112–9301615–8	09/26/97
04/25/97	112–9302445–9	10/31/97
04/25/97	112–9302298–2	09/26/97
04/25/97	112–9302205–7	09/26/97
04/04/97	112–9302371–7	09/26/97
05/26/97	112–9305730–1	09/26/97
05/21/97	112–9305527–1	09/26/97
05/30/97	112–9306718–5	09/26/97
05/19/97	112–9304958–9	09/26/97
05/16/97	112–9305030–6	09/26/97
05/07/97	112–9303702–2	09/26/97
05/09/97	112–9303707–1	09/26/97
05/10/97	112–9304256–8	09/26/97
05/31/97	112–9306470–3	09/26/97
05/02/97	112–9302717–1	09/19/97
06/20/97	112–9308793–6	09/26/97
06/18/97	112–9308717–5	09/26/97
06/16/97	112–9308538–5	09/26/97
06/09/97	112–9307568–3	09/26/97
06/06/97	112–9307144–3	09/26/97

SEC. 2415. RELIQUIDATION OF CERTAIN DRAWBACK ENTRIES AND REFUND OF DRAWBACK PAYMENTS.

(a) IN GENERAL.—Notwithstanding sections 514 and 520 of the Tariff Act of 1930 or any other provision of law, the Customs Service shall, not later than 180 days after the date of enactment of this Act, liquidate or reliquidate the entries described in subsection (b) and any amounts owed by the United States pursuant to the liquidation or reliquidation shall be refunded with interest, subject to the provisions of Treasury Decision 86–126(M) and Customs Service Ruling No. 224697, dated November 17, 1994.

(b) ENTRIES DESCRIBED.—The entries described in this subsection are the following:

Entry number:	Date of entry:
855218319	July 18, 1985
855218429	August 15, 1985
855218649	September 13, 1985
866000134	October 4, 1985
866000257	November 14, 1985
866000299	December 9, 1985
866000451	January 14, 1986
866001052	February 13, 1986
866001133	March 7, 1986
866001269	April 9, 1986
866001366	May 9, 1986
866001463	June 6, 1986
866001573	July 7, 1986
866001586	July 7, 1986
866001599	July 7, 1986
866001913	August 8, 1986
866002255	September 10, 1986
866002297	September 23, 1986
03200000010 ..	October 3, 1986
03200000028 ..	November 13, 1986
03200000036 ..	November 26, 1986.

SEC. 2416. CLARIFICATION OF ADDITIONAL U.S. NOTE 4 TO CHAPTER 91 OF THE HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES.

Additional U.S. note 4 of chapter 91 of the Harmonized Tariff Schedule of the United States is amended in the matter preceding subdivision (a), by striking the comma after ''stamping'' and inserting ''(including by means of indelible ink),''.

SEC. 2417. DUTY-FREE SALES ENTERPRISES.

Section 555(b)(2) of the Tariff Act of 1930 (19 U.S.C. 1555(b)(2)) is amended—

(1) in subparagraph (B), by striking the period at the end and inserting ''; or''; and

(2) by adding at the end the following new subparagraph:

''(C) a port of entry, as established under section 1 of the Act of August 24, 1912 (37

Stat. 434), or within 25 statute miles of a staffed port of entry if reasonable assurance can be provided that duty-free merchandise sold by the enterprise will be exported by individuals departing from the customs territory through an international airport located within the customs territory.''.

SEC. 2418. CUSTOMS USER FEES.

(a) ADDITIONAL PRECLEARANCE ACTIVITIES.—Section 13031(f)(3)(A)(iii) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(f)(3)(A)(iii)) is amended to read as follows:

''(iii) to the extent funds remain available after making reimbursements under clause (ii), in providing salaries for up to 50 full-time equivalent inspectional positions to provide preclearance services.''.

(b) COLLECTION OF FEES FOR PASSENGERS ABOARD COMMERCIAL VESSELS.—Section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c) is amended—

(1) in subsection (a), by amending paragraph (5) to read as follows:

''(5)(A) Subject to subparagraph (B), for the arrival of each passenger aboard a commercial vessel or commercial aircraft from a place outside the United States (other than a place referred to in subsection (b)(1)(A)(i) of this section), $5.

''(B) For the arrival of each passenger aboard a commercial vessel from a place referred to in subsection (b)(1)(A)(i) of this section, $1.75''; and

(2) in subsection (b)(1)(A), by striking ''(A) No fee'' and inserting ''(A) Except as provided in subsection (a)(5)(B) of this section, no fee''.

(c) USE OF MERCHANDISE PROCESSING FEES FOR AUTOMATED COMMERCIAL SYSTEMS.—Section 13031(f) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(f)) is amended by adding at the end the following:

''(6) Of the amounts collected in fiscal year 1999 under paragraphs (9) and (10) of subsection (a), $50,000,000 shall be available to the Customs Service, subject to appropriations Acts, for automated commercial systems. Amounts made available under this paragraph shall remain available until expended.''.

(d) ADVISORY COMMITTEE.—Section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c) is amended by adding at the end the following:

''(k) ADVISORY COMMITTEE.—The Commissioner of Customs shall establish an advisory committee whose membership shall consist of representatives from the airline, cruise ship, and other transportation industries who may be subject to fees under subsection (a). The advisory committee shall not be subject to termination under section 14 of the Federal Advisory Committee Act. The advisory committee shall meet on a periodic basis and shall advise the Commissioner on issues related to the performance of the inspectional services of the United States Customs Service. Such advice shall include, but not be limited to, such issues as the time periods during which such services should be performed, the proper number and deployment of inspection officers, the level of fees, and the appropriateness of any proposed fee. The Commissioner shall give consideration to the views of the advisory committee in the exercise of his or her duties.''.

(e) NATIONAL CUSTOMS AUTOMATION TEST REGARDING RECONCILIATION.—Section 505(c) of the Tariff Act of 1930 (19 U.S.C. 1505(c)) is amended by adding at the end the following: ''For the period beginning on October 1, 1998, and ending on the date on which the 'Revised National Customs Automation Test Regarding Reconciliation' of the Customs Service is terminated, or October 1, 2000, whichever occurs earlier, the Secretary may prescribe an alternative mid-point interest accounting methodology, which may be employed by the importer, based upon aggregate data in lieu of accounting for such interest from each deposit data provided in this subsection.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect 30 days after the date of the enactment of this Act.

SEC. 2419. DUTY DRAWBACK FOR METHYL TERTIARY-BUTYL ETHER ("MTBE").

(a) IN GENERAL.—Section 313(p)(3)(A)(i)(I) of the Tariff Act of 1930 (19 U.S.C. 1313(p)(3)(A)(i)(I)) is amended by striking ''and 2902'' and inserting ''2902, and 2909.19.14''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act, and shall apply to drawback claims filed on and after such date.

SEC. 2420. SUBSTITUTION OF FINISHED PETROLEUM DERIVATIVES.

(a) IN GENERAL.—Section 313(p)(1) of the Tariff Act of 1930 (19 U.S.C. 1313(p)(1)) is amended in the matter following subparagraph (C) by striking ''the amount of the duties paid on, or attributable to, such qualified article shall be refunded as drawback to the drawback claimant.'' and inserting ''drawback shall be allowed as described in paragraph (4).''.

(b) REQUIREMENTS.—Section 313(p)(2) of such Act (19 U.S.C. 1313(p)(2)) is amended—

(1) in subparagraph (A)—

(A) in clauses (i), (ii), and (iii), by striking ''the qualified article'' each place it appears and inserting ''a qualified article''; and

(B) in clause (iv), by striking ''an imported' and inserting ''a''; and

(2) in subparagraph (G), by inserting ''transferor,'' after ''importer,''.

(c) QUALIFIED ARTICLE DEFINED, ETC.—Section 313(p)(3) of such Act (19 U.S.C. 1313(p)(3)) is amended—

(1) in subparagraph (A)—

(A) in clause (i)(II), by striking ''liquids, pastes, powders, granules, and flakes'' and inserting ''the primary forms provided under Note 6 to chapter 39 of the Harmonized Tariff Schedule of the United States''; and

(B) in clause (ii)—

(i) in subclause (I) by striking ''or'' at the end;

(ii) in subclause (II) by striking the period and inserting '', or''; and

(iii) by adding after subclause (II) the following:

''(III) an article of the same kind and quality as described in subparagraph (B), or any combination thereof, that is transferred, as so certified in a certificate of delivery or certificate of manufacture and delivery in a quantity not greater than the quantity of articles purchased or exchanged.

The transferred merchandise described in subclause (III), regardless of its origin, so designated on the certificate of delivery or certificate of manufacture and delivery shall be the qualified article for purposes of this section. A party who issues a certificate of delivery, or certificate of manufacture and delivery, shall also certify to the Commissioner of Customs that it has not, and will not, issue such certificates for a quantity greater than the amount eligible for drawback and that appropriate records will be maintained to demonstrate that fact.'';

(2) in subparagraph (B), by striking ''exported article'' and inserting ''article, including an imported, manufactured, substituted, or exported article,''; and

(3) in the first sentence of subparagraph (C), by striking ''such article.'' and inserting ''either the qualified article or the exported article.''.

(d) LIMITATION ON DRAWBACK.—Section 313(p)(4)(B) of such Act (19 U.S.C. 1313(p)(4)(B)) is amended by inserting before the period at the end the following: ''had the claim qualified for drawback under subsection (j)''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendment made by section 632(a)(6) of the North American Free Trade Agreement Implementation Act. For purposes of section 632(b) of that Act, the 3-year requirement set forth in section 313(r) of the Tariff Act of 1930 shall not apply to any drawback claim filed within 6 months after the date of the enactment of this Act for which that 3-year period would have expired.

SEC. 2421. DUTY ON CERTAIN IMPORTATIONS OF MUESLIX CEREALS.

(a) BEFORE JANUARY 1, 1996.—Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law, upon proper request filed with the Customs Service before the 90th day after the date of the enactment of this Act, any entry or withdrawal from warehouse for consumption made after December 31, 1991, and before January 1, 1996, of mueslix cereal, which was classified under the special column rate applicable for Canada in subheading 2008.92.10 of the Harmonized Tariff Schedule of the United States—

(1) shall be liquidated or reliquidated as if the special column rate applicable for Canada in subheading 1904.10.00 of such Schedule applied at the time of such entry or withdrawal; and

(2) any excess duties paid as a result of such liquidation or reliquidation shall be refunded, including interest at the appropriate applicable rate.

(b) AFTER DECEMBER 31, 1995.—Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law, upon proper request filed with the Customs Service before the 90th day after the date of the enactment of this Act, any entry or withdrawal from warehouse for consumption made after December 31, 1995, and before January 1, 1998, of mueslix cereal, which was classified under the special column rate applicable for Canada in subheading 1904.20.10 of the Harmonized Tariff Schedule of the United States—

(1) shall be liquidated or reliquidated as if the special column rate applicable for Canada in subheading 1904.10.00 of such Schedule applied at the time of such entry or withdrawal; and

(2) any excess duties paid as a result of such liquidation or reliquidation shall be refunded, including interest at the appropriate applicable rate.

SEC. 2422. EXPANSION OF FOREIGN TRADE ZONE NO. 143.

(a) EXPANSION OF FOREIGN TRADE ZONE.—The Foreign Trade Zones Board shall expand Foreign Trade Zone No. 143 to include areas in the vicinity of the Chico Municipal Airport in accordance with the application submitted by the Sacramento-Yolo Port District of Sacramento, California, to the Board on March 11, 1997.

(b) OTHER REQUIREMENTS NOT AFFECTED.—The expansion of Foreign Trade Zone No. 143 under subsection (a) shall not relieve the Port of Sacramento of any requirement under the Foreign Trade Zones Act, or under regulations of the Foreign Trade Zones Board, relating to such expansion.

SEC. 2423. MARKING OF CERTAIN SILK PRODUCTS AND CONTAINERS.

(a) IN GENERAL.—Section 304 of the Tariff Act of 1930 (19 U.S.C. 1304) is amended—

(1) by redesignating subsections (h), (i), (j), and (k) as subsections (i), (j), (k), and (l), respectively; and

(2) by inserting after subsection (g) the following new subsection:

''(h) MARKING OF CERTAIN SILK PRODUCTS.—The marking requirements of subsections (a) and (b) shall not apply either to—

''(1) articles provided for in subheading 6214.10.10 of the Harmonized Tariff Schedule of the United States, as in effect on January 1, 1997; or

''(2) articles provided for in heading 5007 of the Harmonized Tariff Schedule of the United States as in effect on January 1, 1997.''.

(b) CONFORMING AMENDMENT.—Section 304(j) of such Act, as redesignated by subsection (a)(1) of this section, is amended by striking ''subsection (h)'' and inserting ''subsection (i)''.

(c) EFFECTIVE DATE.—The amendments made by this section apply to goods entered, or withdrawn from warehouse for consumption, on or after the date of the enactment of this Act.

SEC. 2424. EXTENSION OF NONDISCRIMINATORY TREATMENT (NORMAL TRADE RELATIONS TREATMENT) TO THE PRODUCTS OF MONGOLIA.

(a) FINDINGS.—The Congress finds that Mongolia—

(1) has received normal trade relations treatment since 1991 and has been found to be in full compliance with the freedom of emigration requirements under title IV of the Trade Act of 1974;

(2) has emerged from nearly 70 years of communism and dependence on the former Soviet Union, approving a new constitution in 1992 which has established a modern parliamentary democracy charged with guaranteeing fundamental human rights, freedom of expression, and an independent judiciary;

(3) has held 4 national elections under the new constitution, 2 presidential and 2 parliamentary, thereby solidifying the nation's transition to democracy;

(4) has undertaken significant market-based economic reforms, including privatization, the reduction of government subsidies, the elimination of most price controls and virtually all import tariffs, and the closing of insolvent banks;

(5) has concluded a bilateral trade treaty with the United States in 1991, and a bilateral investment treaty in 1994;

(6) has acceded to the Agreement Establishing the World Trade Organization, and extension of unconditional normal trade relations treatment to the products of Mongolia would enable the United States to avail itself of all rights under the World Trade Organization with respect to Mongolia; and

(7) has demonstrated a strong desire to build friendly relationships and to cooperate fully with the United States on trade matters.

(b) TERMINATION OF APPLICATION OF TITLE IV OF THE TRADE ACT OF 1974 TO MONGOLIA.—

(1) PRESIDENTIAL DETERMINATIONS AND EXTENSIONS OF NONDISCRIMINATORY TREATMENT.—Notwithstanding any provision of title IV of the Trade Act of 1974 (19 U.S.C. 2431 et seq.), the President may—

(A) determine that such title should no longer apply to Mongolia; and

(B) after making a determination under subparagraph (A) with respect to Mongolia, proclaim the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of that country.

(2) TERMINATION OF APPLICATION OF TITLE IV.—On or after the effective date of the extension under paragraph (1)(B) of nondiscriminatory treatment to the products of Mongolia, title IV of the Trade Act of 1974 shall cease to apply to that country.

SEC. 2425. ENHANCED CARGO INSPECTION PILOT PROGRAM.

(a) IN GENERAL.—The Commissioner of the Customs Service is authorized to establish a pilot program for fiscal year 1999 to provide 24-hour cargo inspection service on a fee-for-service basis at an international airport described in subsection (b). The Commissioner may extend the pilot program for fiscal years after fiscal year 1999 if the Commissioner determines that the extension is warranted.

(b) AIRPORT DESCRIBED.—The international airport described in this subsection is a multi-modal international airport that—

(1) is located near a seaport; and

(2) serviced more than 185,000 tons of air cargo in 1997.

SEC. 2426. PAYMENT OF EDUCATION COSTS OF DEPENDENTS OF CERTAIN CUSTOMS SERVICE PERSONNEL.

Notwithstanding section 2164 of title 10, United States Code, the Department of Defense shall permit the dependent children of deceased United States Customs Aviation Group Supervisor Pedro J. Rodriquez attending the Antilles Consolidated School System at Ford Buchanan, Puerto Rico, to complete their primary and secondary education at this school system without cost to such children or any parent, relative, or guardian of such children. The United States Customs Service shall reimburse the Department of Defense for reasonable education expenses to cover these costs.

TITLE III—AMENDMENTS TO INTERNAL REVENUE CODE OF 1986

SEC. 3001. PROPERTY SUBJECT TO A LIABILITY TREATED IN SAME MANNER AS ASSUMPTION OF LIABILITY.

(a) REPEAL OF PROPERTY SUBJECT TO A LIABILITY TEST.—

(1) SECTION 357.—Section 357(a)(2) of the Internal Revenue Code of 1986 (relating to assumption of liability) is amended by striking '', or acquires from the taxpayer property subject to a liability''.

(2) SECTION 358.—Section 358(d)(1) of such Code (relating to assumption of liability) is amended by striking ''or acquired from the taxpayer property subject to a liability''.

(3) SECTION 368.—

(A) Section 368(a)(1)(C) of such Code is amended by striking '', or the fact that property acquired is subject to a liability,''.

(B) The last sentence of section 368(a)(2)(B) of such Code is amended by striking '', and the amount of any liability to which any property acquired from the acquiring corporation is subject,''.

(b) CLARIFICATION OF ASSUMPTION OF LIABILITY.—

(1) IN GENERAL.—Section 357 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(d) DETERMINATION OF AMOUNT OF LIABILITY ASSUMED.—

''(1) IN GENERAL.—For purposes of this section, section 358(d), section 362(d), section 368(a)(1)(C), and section 368(a)(2)(B), except as provided in regulations—

''(A) a recourse liability (or portion thereof) shall be treated as having been assumed if, as determined on the basis of all facts and circumstances, the transferee has agreed to, and is expected to, satisfy such liability (or portion), whether or not the transferor has been relieved of such liability; and

''(B) except to the extent provided in paragraph (2), a nonrecourse liability shall be treated as having been assumed by the transferee of any asset subject to such liability.

''(2) EXCEPTION FOR NONRECOURSE LIABILITY.—The amount of the nonrecourse liability treated as described in paragraph (1)(B) shall be reduced by the lesser of—

''(A) the amount of such liability which an owner of other assets not transferred to the transferee and also subject to such liability has agreed with the transferee to, and is expected to, satisfy, or

''(B) the fair market value of such other assets (determined without regard to section 7701(g)).

''(3) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection and section 362(d). The Secretary may also prescribe regulations which provide that the manner in which a liability is treated as assumed under this subsection is applied, where appropriate, elsewhere in this title.''

(2) LIMITATION ON BASIS INCREASE ATTRIBUTABLE TO ASSUMPTION OF LIABILITY.—Section 362 of such Code is amended by adding at the end the following new subsection:

''(d) LIMITATION ON BASIS INCREASE ATTRIBUTABLE TO ASSUMPTION OF LIABILITY.—

''(1) IN GENERAL.—In no event shall the basis of any property be increased under subsection (a) or (b) above the fair market value of such property (determined without regard to section 7701(g)) by reason of any gain recognized to the transferor as a result of the assumption of a liability.

''(2) TREATMENT OF GAIN NOT SUBJECT TO TAX.—Except as provided in regulations, if—

''(A) gain is recognized to the transferor as a result of an assumption of a nonrecourse liability by a transferee which is also secured by assets not transferred to such transferee; and

''(B) no person is subject to tax under this title on such gain,

then, for purposes of determining basis under subsections (a) and (b), the amount of gain recognized by the transferor as a result of the assumption of the liability shall be determined as if the liability assumed by the transferee equaled such transferee's ratable portion of such liability determined on the basis of the relative fair market values (determined without regard to section 7701(g)) of all of the assets subject to such liability.''.

(c) APPLICATION TO PROVISIONS OTHER THAN SUBCHAPTER C.—

(1) SECTION 584.—Section 584(h)(3) of the Internal Revenue Code of 1986 is amended—

(A) by striking '', and the fact that any property transferred by the common trust fund is subject to a liability,'' in subparagraph (A); and

(B) by striking clause (ii) of subparagraph (B) and inserting:

''(ii) ASSUMED LIABILITIES.—For purposes of clause (i), the term 'assumed liabilities' means any liability of the common trust fund assumed by any regulated investment company in connection with the transfer referred to in paragraph (1)(A).

''(C) ASSUMPTION.—For purposes of this paragraph, in determining the amount of any liability assumed, the rules of section 357(d) shall apply.''

(2) SECTION 1031.—The last sentence of section 1031(d) of such Code is amended—

(A) by striking ''assumed a liability of the taxpayer or acquired from the taxpayer property subject to a liability'' and inserting ''assumed (as determined under section 357(d)) a liability of the taxpayer''; and

(B) by striking ''or acquisition (in the amount of the liability)''.

(d) CONFORMING AMENDMENTS.—

(1) Section 351(h)(1) of the Internal Revenue Code of 1986 is amended by striking '', or acquires property subject to a liability,''.

(2) Section 357 of such Code is amended by striking ''or acquisition'' each place it appears in subsection (a) or (b).

(3) Section 357(b)(1) of such Code is amended by striking ''or acquired''.

(4) Section 357(c)(1) of such Code is amended by striking '', plus the amount of the liabilities to which the property is subject,''.

(5) Section 357(c)(3) of such Code is amended by striking ''or to which the property transferred is subject''.

(6) Section 358(d)(1) of such Code is amended by striking ''or acquisition (in the amount of the liability)''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers after October 18, 1998.

By Mr. ROTH:

S. 263. A bill to amend the Social Security Act to establish the Personal Retirement Accounts Program; to the Committee on Finance.

THE PERSONAL RETIREMENT ACCOUNTS ACT OF 1999

Mr. ROTH. Mr. President, I rise today to introduce the Personal Retirement Accounts Act of 1999. This legislation has a simple but powerful purpose—to establish personal retirement accounts for working Americans. In my view, these accounts promise to give working Americans not only a more secure retirement future but a new stake in the nation's economic growth. And, as I will describe, these accounts may provide the model for future Social Security reform.

Just a few years ago personal retirement accounts were an exotic and even controversial concept. But no longer! Today, personal retirement accounts are a bipartisan, even mainstream, idea.

In 1997, a majority of a Clinton administration task force on Social Security endorsed the concept.

In the last Congress, two comprehensive Social Security reform proposals, one introduced by Senator MOYNIHAN, the ranking Democrat on the Finance Committee; the other by Senators GREGG and BREAUX, had as a central element personal retirement accounts.

Mr. President, let me explain why retirement accounts find so much support—not only in Congress but among the American people. With even conservative investment, such accounts have the potential to provide Americans with a substantial retirement nest egg. And an estate that can be left to children and grandchildren.

Creating these accounts would also give the majority of Americans who do not own any investment assets a new stake in America's economic growth—because that growth will be returned directly to their benefit. More Americans will be the owners of capital—not just workers.

Creating these accounts may encourage Americans to save more. Today, Americans save less than people in almost every other industrial country. But personal retirement accounts will demonstrate to all Americans the magic of compound interest as even small savings grow significantly over time.

Lastly, creating these accounts will help Americans to better prepare for retirement. According to the Congressional Research Service, 60 percent of Americans are not actively participating in a retirement program other than Social Security. A recent survey found that only about 45 percent of working Americans have tried to calculate how much they will need for retirement. It is my belief that retirement accounts will prompt Americans—particularly Baby Boomers—to think more about retirement planning.

Mr. President, let me describe a few of the features of my bill. First, the program would run for 5 years, from 2000 to 2004, utilizing half the budget surplus projected by the Congressional Budget Office.

Each year, working Americans who earned a minimum of four quarters of Social Security coverage—$3,000 in 2000—would receive a deposit in his or her account. About 128 million Americans would receive a deposit in 2000.

The formula for sharing the surplus among the accounts is progressive. Each eligible individual would receive a minimum amount of $250 per year, plus an additional amount based on how much they paid in payroll taxes.

Over the life of the program, a minimum wage earner—someone earning $12,400 this year—would receive about $1,850. That amount is equal to a 35-percent rebate of his or her payroll taxes.

An average wage earner—earning $27,600—would receive about $2,590—equal to a 22-percent rebate of payroll taxes. And an individual who paid the maximum Social Security tax would get $4,560, a 16-percent rebate of payroll taxes. These figures do not include any investment income—or deductions for the costs of running the program.

Account holders would have three investment choices—prudent choices that balance risk and return. The three choices are a ''stock index fund''—a mutual fund that reflects the overall performance of the stock market; a fund that invests in corporate bonds and other ''fixed income'' securities; and a fund that invests in U.S. Treasury bonds.

However, my legislation also provides for a study of additional investment options—of other types of investment funds and investment managers.

An account holder would become eligible for benefits when he or she signs up for Social Security. An individual could choose between an annuity or annual payments based on life expectancy.

The bill also provides a number of features to ensure the program is properly run. First, the program would be neither ''on'' budget nor ''off'' budget—instead, the program would be outside the Federal budget. The money in the program could be used for no other purpose than retirement benefits and the program's operating expenses.

Second, the program would be supervised by a new, independent Personal Retirement Board, with members appointed by the President and Congressional leaders and subject to Senate confirmation. Board officials would be fiduciaries, and required by law to act only in the best financial interests of beneficiaries.

Lastly, the stock funds would be managed by private sector investment managers. To insulate companies represented in the stock funds from politics, no Board official or other government employee and would be eligible to vote company proxies—only the investment managers.

Mr. President, the design of this personal retirement accounts plan follows a proven model—the Federal Thrift Savings Plan. Back in 1983, when I was Chairman of the Governmental Affairs Committee, the retirement program for Federal employees needed to be revamped. One of the new elements we added was the Federal Thrift Savings Plan—a defined contribution employee benefit plan—that has been a great success.

Many Americans will undoubtedly ask, ''What size nest egg might grow in my personal account?'' According to an analysis done by Social Security's actuaries, someone earning the minimum wage would have an account worth about $2,145 in 2004, assuming a 7.5 percent interest rate. For the average wage earner, the account would be worth about $2,990, and for the individual paying the maximum Social Security tax, about $5,250.

Of course, over the long-term, accounts can grow significantly. For the minimum wage earner after 40 years—in 2039, his or her account would be worth about $27,000. The average wage earner would have $38,000; and the person paying the maximum payroll tax, $66,000.

Mr. President, some might ask, ''Why start with personal retirement accounts, rather than comprehensive Social Security reform?'' Indeed, my bill will not affect the current Social Security program. Personal retirement accounts are an exciting concept, but still a big job, requiring careful work by the Finance Committee.

Personal retirement accounts also enjoy broad support, unlike many other Social Security reform proposals. So let's get these accounts up and running, proven and tested, while Congress considers carefully protecting and preserving Social Security for the long term.

Mr. President, in closing, let me add that personal retirement accounts have another big promise. Such accounts—if later made a part of Social Security or even as a permanent supplemental program—may help restore the confidence of the American people in this important national program. Polls show that Social Security is among the most popular government programs, deservedly so. But many Americans—particularly young Americans—seem to have lost confidence in Social Security. They believe that there will be no benefits for them when they retire. Personal retirement accounts will provide the accountability and assurances that Americans are asking for.

I encourage my colleagues to take a careful look at my bill, and I invite members to co-sponsor it.

By Mr. AKAKA:

S. 264. A bill to increase the Federal medical assistance percentage for Hawaii to 59.8 percent; to the Committee on Finance.

HAWAII FEDERAL MEDICAL ASSISTANCE PERCENTAGE ADJUSTMENT ACT

Mr. AKAKA. Mr. President, I rise today to reintroduce legislation I authored during the 105th Congress that would adjust the Federal Medical Assistance Percentage (FMAP) rate for Hawaii to reflect more fairly the state's ability to bear its share of Medicaid payments.

The federal share of Medicaid payments varies depending on each state's ability to pay—wealthier states bear a larger share of the cost of the program, and thus have lower FMAP rates. Per capita income is used as the measure of state wealth. Because per capita income in Hawaii is quite high, the state's FMAP rate is at the lowest level—50 percent. Hawaii is one of only a dozen states whose FMAP rate is at the 50 percent level. My bill would increase Hawaii's FMAP rate from 50 percent to 59.8 percent.

Because of our geographic location and other factors, the cost of living in Hawaii greatly exceeds the cost of living on the mainland. Per capita income is a poor measure of a state's ability to bear the cost of Medicaid services. An excellent analysis of this issue appears in the 21st edition of The Federal Budget and the States, a joint study conducted by the Taubman Center for State and Local Government at Harvard University's John F. Kennedy School of Government and the office of U.S. Senator DANIEL PATRICK MOYNIHAN. According to the study, if per capita income is measured in real terms, Hawaii ranks 47th at $19,755 compared to the national average of $24,231. This sheds a totally different light on the state's financial status.

The cost of living in Honolulu is 83 percent higher than the average of the metropolitan areas tracked by the U.S. Census Bureau, based on 1995 data. Recent studies have shown that for the state as a whole, the cost of living is more than one-third higher than the rest of the U.S. In fact, Hawaii's Cost of Living Index ranks it as the highest in the country. Some government programs take the high cost of living in Hawaii into account and funding is adjusted accordingly. These include Medicare prospective payment rates, food stamp allocations, school lunch programs, housing insurance limits, and military living expenses.

These examples reflect the recognition that the higher cost of living in noncontiguous states should be taken into account in fashioning government policies. It is time for similar recognition of this factor in gauging Hawaii's ability to support its health care programs. My colleagues may recall that the Balanced Budget Act of 1997 included a provision increasing Alaska's FMAP rate to 59.8 percent. Setting a higher match rate would still leave Hawaii with a lower FMAP rate than a majority of the states, but would more accurately reflect Hawaii's ability to pay its fair share of the costs of the Medicaid program.

Despite the high cost of living, the Harvard-Moynihan study finds that Hawaii also has one of the highest poverty rates in the nation. The State's 16.9 percent poverty rate is eighth in the country, compared to the national average of 14.7 percent. These higher costs are reflected in state government expenditures and state taxation. Thus, on a per capita basis, state revenue and expenditures are far higher in Hawaii and Alaska, than in the 48 mainland states. The higher expenditure levels are necessary to assure an adequate level of public services which are more costly to provide in these states.

Of the top ten states with the highest poverty rates in the country, the Harvard-Moynihan study finds that only three others have an FMAP rate between 50–60 percent. The other six states have FMAP rates of 65 percent and higher. Even more astonishing is that of the top ten states with the lowest real per capita income, only Hawaii has a 50 percent FMAP rate.

To bring equity to this situation, Hawaii has sought an increase in its FMAP rate over the past several years. Just as we did for Alaska in 1997, Hawaii deserves equitable treatment. This change is long warranted. The same factors justifying an increase for Alaska apply to Hawaii. Recognition of this point was made by House and Senate conferees to the Balanced Budget Act. The conferees noted that poverty guidelines for Alaska and Hawaii are different than those for the rest of the nation, yet there is no variation from the national calculation in the FMAP. The conferees correctly noted that comparable adjustments are generally made for Alaska and Hawaii.

The case for an FMAP increase is especially compelling in Hawaii, which has a proud history of providing essential health services in an innovative and cost-effective manner. That commitment is not easy to fulfill. Unlike most states, Hawaii's Aid to Families with Dependent Children/Temporary Assistance for Needy Families (AFDC/TANF) caseloads have risen significantly in recent years. Since TANF block grants are based on historical spending levels, the increased demand has placed extreme pressure on state resources.

Hawaii has sought to maintain a social safety net while striving for more efficient delivery of government services. The most striking example is the QUEST medical assistance program, which operates under a federal waiver. QUEST has brought managed care and broader coverage to the state's otherwise uninsured populations. At the same time, Hawaii is the only state whose employers guarantee health care coverage to every full-time employee, a further example of Hawaii's commitment to a strong social support system.

There is a particularly strong need for a more suitable FMAP rate for Hawaii at this time. The state has not participated in the robust economic growth that has benefitted most of the rest of the nation. Hawaii's unemployment rate is above the national average and state tax revenues have fallen short of projected estimates. The need to fund 50 percent of the cost of the Medicaid program puts an increasing strain on the state's resources.

For all of these reasons, the FMAP rates for Hawaii should be adjusted to reflect more equitably the state's ability to support the Medicaid program. This will assure that the special problem of the noncontiguous states is dealt with in a principled manner.

I urge my colleagues in the Senate to support an upward adjustment in Hawaii's Federal Medical Assistance Percentage.

Mr. President, in closing, 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. 264

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

SECTION 1. INCREASED FMAP FOR HAWAII.

(a) INCREASED FMAP.—The first sentence of section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)) is amended—

(1) by striking ''and (3)'' and inserting ''(3)''; and

(2) by inserting before the period at the end the following: '', and (4) for purposes of this title and title XXI, the Federal medical assistance percentage for Hawaii shall be 59.8 percent''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to—

(1) items and services furnished on or after October 1, 1998, under—

(A) a State plan or under a waiver of such plan under title XIX; and

(B) a State child health plan under title XXI of such Act;

(2) payments made on a capitation or other risk-basis for coverage occurring under plans under such titles on or after such date; and

(3) payments attributable to DSH allotments for Hawaii determined under section 1923(f) of such Act (42 U.S.C. 1396r–4(f)) for fiscal years beginning with fiscal year 1999.

By Mrs. FEINSTEIN (for herself and Ms. SNOWE):

S. 265. A bill entitled ''Hospital Length of Stay Act of 1999''; to the Committee on Finance.

HOSPITAL LENGTH OF STAY ACT OF 1999

Mrs. FEINSTEIN. Mr. President, today, Senator OLYMPIA SNOWE and I are introducing a bill to guarantee that the decision of how long a patient receives care in the hospital is left to the attending physician. Our legislation would require health insurance plans to cover the length of hospital stay for any procedure or illness as determined by the attending physician, in consultation with the patient, to be medically appropriate.

The bill is endorsed by the American Medical Association, the American

College of Surgeons, the American College of Obstetricians and Gynecologists, the American Academy of Neurology, and the American Psychological Association.

Only a physician taking care of the patient, who understands the patient's history, medical condition and needs, should make the decision as to how much hospital care a person needs. Physicians are trained to evaluate all the unique needs and problems of each individual patient. Every patient's condition varies and the course of their illness also varies. Some patients are fragile or weak. Others do not respond well to general anesthesia. Complications arise. Each patient is a unique individual with varying degrees of health.

The American Medical Association, concerned that pre-determined length of stay criteria are ''moving away from scientific, patient-focused principles of care,'' resulting in ''quicker and sicker'' discharges and poor patient outcomes, has developed patient-based discharge criteria. These criteria include considerations such as the patient's physiological, psychological, social and functional needs. The AMA criteria say: ''Patients should not be discharged from the hospital when their disease or symptoms cannot be adequately treated or monitored in the discharge setting.''

Lengths of stay should not be determined by insurance company clerks, actuaries or non-medical personnel. It is the attending physician, not a physician or other representative of an insurance company, that should decide when to admit and discharge someone.

A number of physicians and other health care providers have expressed to me their great frustration with the current health care climate, in which they feel they spend too much of their time trying to justify their decisions on medical necessity to insurance companies.

For example, Donna Damico, a nurse in a Maryland psychiatric unit of a hospital, told National Public Radio on October 1, 1997: ''I spend my days watching the care on my unit be directed by faceless people from insurance companies on the other end of the phone. My hospital employs a full-time nurse whose entire job is to talk to insurance reviewers * * * The reviewer's background can range anywhere from high school graduate to nurse, social worker or even actual physicians.''

In 1996, we addressed the problem of ''drive-through'' baby deliveries because insurance plans would only pay for one day of hospital car for childbirth. This was fraught with problems like jaundiced babies that had to be rehospitalized and mothers who developed problems which only worsened because they were sent home despite physicians' view that a mother's and baby's stability are not usually reached until the third post-partum day.

We have also been told of so-called ''drive-through'' mastectomies. Some HMO's have made mastectomy an outpatient procedure. Women who have had a radical mastectomy at 7:30 a.m. have been out on the street at 4:30 that afternoon, dizzy and weak, unable to cope with drainage tubes and disfigurement. Senator SNOWE and I are introducing a separate bill to address this.

A California pediatrician told me of a child with very bad asthma. The insurance plan authorized 3 days in the hospital; the doctor wanted 4–5 days. He told us about a baby with infant botulism (poisoning), a baby with a toxin that had spread from the intestine to the nervous system so that the child could not breathe. The doctor thought a 10–14 day hospital stay was medically necessary for the baby; the insurance plan insisted on one week.

A California neurologist told us about a seven-year-old girl with an ear infection who went to the doctor feverish. When her illness developed into pneumonia, she was admitted to the hospital. After two days she was sent home, but she then returned to the hospital three times because her insurance plan only covered a certain number of days. The third time she returned she had meningitis, which can be life threatening. The doctor said that if this girl had stayed in the hospital the first time for five to seven days, the antibiotics would have killed the infection, and the meningitis would never have developed.

A 27-year-old man from central California had a heart transplant and was forced out of the hospital after 4 days because his HMO would not pay for more days. He died.

Nurses in St. Luke's Hospital, San Francisco, say that women are being sent home after only two nights after a hysterectomy and two nights for a Caesarean section delivery, both of which are major abdominal surgeries, even though physicians think the women are not ready to go home.

Lisa Breakey, a San Jose speech pathologist, came to my office and told us that she is providing home health for stroke patients she used to see in the hospital. She sees patients in their homes who have tubes in their stomach for feeding and tracheotomy tubes in their throats for breathing. These trach tubes have an inflated balloon or cuff which a family member must deflate and inflate by using a needle. Family members are supposed to suction the patient's mouth and throat before they deflate the cuff. Families, she stressed, are providing intensive care, for which they are unprepared and untrained. Bedrooms have become hospital rooms.

Another California physician told us about a patient who needed total hip replacement because her hip had failed. The doctor believed a seven-day stay was warranted; the plan would only authorize five.

Rep. GREG GANSKE, a physician serving in the House, told the story of a six-year-old child who nearly drowned. The child was put on a ventilator and it appeared that he would not live. The hospital got a call from the insurance company, asking if the doctor had considered sending the boy home because home ventilation is cheaper.

These cases can be summarized in the comments of a Chico, California, maternity ward nurse: ''People's treatment depends on the type of insurance they have rather than what's best for them.''

As I have mentioned, premature discharges can increase readmissions and medical complications.

On March 23, 1998, American Medical News (according to Dr. David Phillips) reported that the ''shift toward outpatient treatment actually has come at quite a high price * * * an increased loss of lives.'' This University of California study found that medication errors are 3 times higher among outpatients than inpatients and medical personnel in outpatient care provide limited oversight of medications' side effects.

Ms. Damico, the nurse interviewed on NPR, said, ''Patients return to us in acute states because their insurance will no longer pay the same amount for their outpatient treatment * * * [They] deteriorate to the point of suicidal thoughts or attempts and need to return to the hospital.'' She cited the example of a suicidal woman whose plan denied a hospital admission requested by her physician. After the doctor told her of the denial, she took twenty 50-milligram tabs of Benadryl, was then admitted, and the plan then had to pay for hospital care, an ambulance and emergency room fees.

So not only do premature discharges compromise health, they also ultimately cost the insurer more.

Physicians say they have to fight almost daily with insurance companies to give patients the hospital care they need and to justify their decisions about patient care.

An American Medical Association review of a managed care contract (Aetna US Healthcare) found that the contract gives ''the company the unilateral authority to change material terms of the contract and to make determinations of medical necessity * * * without regard to physician determinations or scientific or clinical protocols. * * *,'' according to the January 19, 1998 American Medical News.

A study by the American Academy of Neurology found that the guidelines (Milliman and Robertson) used by many insurance companies on length of stay are ''extraordinarily short in comparison to a large National Library of Medicine database * * * And that [the guidelines] do not relate to anything resembling the average hospital patient or attending physician * * *.'' The neurologists found that these guidelines were ''statistically developed,'' and not scientifically sound or clinically relevant.

A study in the April 1997 Bulletin of the American College of Surgeons

found that surgeons stated that the appropriate length of stay for an appendectomy is zero to five days, while insurance industry guidelines set a specific coverage limit of one day.

The arbitrary limits set by HMO's and insurance plans are resulting in unintended consequences. Some 7 in 10 physicians said that in dealing with managed care plans, they have exaggerated the severity of a patient's condition to ''prevent him or her from being sent home from a hospital prematurely.'' Dr. David Schriger, at UCLA Medical Center in Los Angeles, said that he routinely has patients such as a frail, elderly woman with the flu, who is not in imminent danger but could encounter serious problems if she is sent home during the night. He told the Washington Post, ''At this point I have to figure out a way to put her in the hospital. . . . And typically, I'll come up with a reason acceptable to the insurer,'' and orders a blood test and chest x-ray to justify admission.

The Post article also cited Kaiser Permanente's Texas division, which ''warned doctors in urgent care centers not to tell patients they required hospitalization,'' as one Kaiser administrator recalled. ''We basically said [to] the UCC doctors, 'If you value your job, you won't say anything about hospitalization. All you'll say is, I think you need further evaluation. . . .'''

Ms. Damico, the psychiatric nurse interviewed on NPR said, ''Our utilization review nurse gives all of us, including the doctors, good advice on how to chart so that our patients' care will be covered. . . . We all conspire quietly to make certain the charts look and sound bad enough.''

On August 2, 1998, calling it the ''brave new world of managed care,'' the San Jose Mercury News reported, ''to cut costs HMOs are shifting the burden of caring for the sick from their staff and provider networks to patients themselves and their often ill-prepared family members,'' by reducing hospital stays. ''Patients who used to be in the hospital for a week after a hip replacement now stay only three days; patients who had coronary artery bypass graft surgery are pushed out after four or five. Doctors are routinely performing operations in outpatient surgery centers, clinics or their offices, which were once done in the hospital.'' This article cited, as examples, mastectomies, knee surgery, parts of bone marrow transplants, and cancer chemotherapies.

The American College of Surgeons said it all when this prestigious organization wrote: ''We believe very strongly that any health care system or plan that removes the surgeon and the patient from the medical decision-making process only undermines the quality of that patient's care and his or her health and well-being. . . . specific, single numbers [of days] cannot and should not be used to represent a length of stay for a given procedure.'' (April 24, 1997) ACS on March 5 wrote, ''We believe very strongly that any health care system or plan that removes the surgeon and the patient from the medical decision making process only undermines the quality of that patient's care and his or her health and well being.''

The American Medical Association wrote on May 20, 1998, ''We are gratified that this bill would promote the fundamental concept, which the AMA has always endorsed, that medical decisions should be made by patients and their physicians, rather than by insurers or legislators. . . . We appreciate your initiative and ongoing efforts to protect patients by ensuring that physicians may identify medically appropriate lengths of stay, unfettered by third party payers.''

The American Psychological Association, on March 4, 1998 wrote me, ''We are pleased to support this legislation, which will require all health plans to follow the best judgment of the patient and attending provider when determining length of stay for inpatient treatment.''

New treatments, particularly less invasive treatments, have shortened many hospital stays, but so also has pressure from insurers. Business and Health magazine reported in ''The State of Health Care in America 1998'' that ''HMOs and capitated point-of-service plans'' were associated with the lowest inpatient stays. Other studies reveal that in areas with high HMO competition, health care utilization is lower for the entire population.'' This study shows that for patients with traditional fee-for-service insurance, the average length of stay in 1995 was 4.9 days. For HMOs, it was 4.2 days. California Health Care Association data show that in my state, the average length of stay has declined from 5.70 days in 1986 to 4.45 in 1995. A study in the spring 1996 issue of Health Affairs concluded that the number of inpatient days per thousand residents is lower and has declined faster in California than the national average. The average length of stay in California in 1996 was 5.3 days, while nationally it was 6.4 days. For example, a woman getting a mastectomy in New York will stay in the hospital an average of 5.78 days, but a mastectomy patient in California is likely to stay 2.98 days. (Inquiry, winter 1997–1998).

Americans are disenchanted with the health insurance system in this country, as HMO hassles mount and physicians get effectively overruled by insurance companies. Arbitrary insurance company rules cannot address the subtleties of medical care. Three out of every four Americans are worried about their health care coverage and half say they are worried that doctors are basing treatment decisions strictly on what insurance plans will pay for.

This bill is one step toward returning medical decision-making to those medical professionals trained to make medical decisions.

SUMMARY OF THE HOSPITAL LENGTH OF STAY ACT OF 1998

Requires plans to cover hospital lengths of stay for all illnesses and conditions as determined by the physician, in consultation with the patient, to be medically appropriate.

Prohibits plans from requiring providers (physicians) to obtain a plan's prior authorization for a hospital length of stay.

Prohibits plans from denying eligibility or renewal for the purpose of avoiding these requirements.

Prohibits plans from penalizing or otherwise reducing or limiting reimbursement of the attending physician because the physician provided care in accordance with the requirements of the bill.

Prohibits plans from providing monetary or other incentives to induce a physician to provide care inconsistent with these requirements.

Includes language clarifying that—

Nothing in the bill requires individuals to stay in the hospital for a fixed period of time for any procedure;

Plans may require copayments but copayments for a hospital stay determined by the physician cannot exceed copayments for any preceding portion of the stay.

Does not pre-empt state laws that provide greater protection.

Applies to private insurance plans, Medicare, Medicaid, Medigap, federal employees' plans, Children's Health Insurance Plan, the Indian Health Service

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. 265

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 ''Hospital Length of Stay Act of 1999''.

SEC. 2. COVERAGE OF HOSPITAL LENGTH OF STAY.

(a) GROUP HEALTH PLANS.—

(1) PUBLIC HEALTH SERVICE ACT AMENDMENTS.—

(A) IN GENERAL.—Subpart 2 of part A of title XXVII of the Public Health Service Act (42 U.S.C. 300gg–4 et seq.) is amended by adding at the end the following new section:

''SEC. 2707. STANDARDS RELATING TO COVERAGE OF HOSPITAL LENGTHS OF STAY.

''(a) REQUIREMENT.—A group health plan and a health insurance issuer offering group health insurance coverage in connection with a group health plan (including a self-insured issuer) that provides coverage for inpatient hospital services—

''(1) shall provide coverage for the length of an inpatient hospital stay as determined by the attending physician (or other attending health care provider to the extent permitted under State law) in consultation with the patient to be medically appropriate; and

''(2) may not require that a provider obtain authorization from the plan or the issuer for prescribing any length of stay required under paragraph (1).

''(b) PROHIBITIONS.—A group health plan and a health insurance issuer offering group

health insurance coverage in connection with a group health plan (including a self-insured issuer) may not—

''(1) deny to an individual eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of this section;

''(2) provide monetary payments or rebates to an individual to encourage the individual to accept less than the minimum protections available under this section;

''(3) penalize or otherwise reduce or limit the reimbursement of an attending provider because such provider provided care to an individual participant or beneficiary in accordance with this section;

''(4) provide incentives (monetary or otherwise) to an attending provider to induce such provider to provide care to an individual participant or beneficiary in a manner inconsistent with this section; or

''(5) subject to subsection (c)(4), restrict benefits for any portion of a period within a hospital length of stay required under subsection (a) in a manner which is less favorable than the benefits provided for any preceding portion of such stay.

''(c) RULES OF CONSTRUCTION.—

''(1) NO REQUIREMENT TO STAY.—Nothing in this section shall be construed to require an individual who is a participant or beneficiary to stay in the hospital for a fixed period of time for any procedure.

''(2) NO EFFECT ON REQUIREMENTS FOR MINIMUM HOSPITAL STAY FOLLOWING BIRTH.—Nothing in this section shall be construed as modifying the requirements of section 2704.

''(3) NONAPPLICABILITY.—This section shall not apply with respect to any group health plan, or any group health insurance coverage offered by a health insurance issuer (including a self-insured issuer), which does not provide benefits for hospital lengths of stay.

''(4) COST-SHARING.—Nothing in this section shall be construed as preventing a group health plan, or a health insurance issuer offering group health insurance coverage in connection with a group health plan (including a self-insured issuer), from imposing deductibles, coinsurance, or other cost-sharing in relation to benefits for hospital lengths of stay under the plan, health insurance coverage offered in connection with a group health plan, or the supplemental policy, except that such coinsurance or other cost-sharing for any portion of a period within a hospital length of stay required under subsection (a) may not be greater than such coinsurance or cost-sharing for any preceding portion of such stay.

''(d) NOTICE.—A group health plan under this part shall comply with the notice requirement under section 714(d) of the Employee Retirement Income Security Act of 1974 with respect to the requirements of this section as if such section applied to such plan.

''(e) LEVEL AND TYPE OF REIMBURSEMENTS.—Nothing in this section shall be construed to prevent a group health plan or a health insurance issuer offering group health insurance coverage in connection with a group health plan (including a self-insured issuer) from negotiating the level and type of reimbursement with a provider for care provided in accordance with this section.

''(f) PREEMPTION; EXCEPTION FOR HEALTH INSURANCE COVERAGE IN CERTAIN STATES.—

''(1) IN GENERAL.—The requirements of this section shall not apply with respect to health insurance coverage if there is a State law (as defined in section 2723(d)(1)) for a State that regulates such coverage and provides greater protections to patients than those provided under this section.

''(2) CONSTRUCTION.—Section 2723(a)(1) shall not be construed as superseding a State law described in paragraph (1).''.

(B) CONFORMING AMENDMENT.—Section 2723(c) of the Public Health Service Act (42 U.S.C. 300gg–23(c)) is amended by striking ''section 2704'' and inserting ''sections 2704 and 2707''.

(2) ERISA AMENDMENTS.—

(A) IN GENERAL.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185 et seq.) is amended by adding at the end the following new section:

''SEC. 714. STANDARDS RELATING TO COVERAGE OF HOSPITAL LENGTHS OF STAY.

''(a) REQUIREMENT.—A group health plan and a health insurance issuer offering group health insurance coverage in connection with a group health plan (including a self-insured issuer), that provides coverage for inpatient hospital services—

''(1) shall provide coverage for the length of an inpatient hospital stay as determined by the attending physician (or other attending health care provider to the extent permitted under State law) in consultation with the patient to be medically appropriate; and

''(2) may not require that a provider obtain authorization from the plan or the issuer for prescribing any length of stay required under paragraph (1).

''(b) PROHIBITIONS.—A group health plan and a health insurance issuer offering group health insurance coverage in connection with a group health plan (including a self-insured issuer), may not—

''(1) deny to an individual eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of this section;

''(2) provide monetary payments or rebates to an individual to encourage the individual to accept less than the minimum protections available under this section;

''(3) penalize or otherwise reduce or limit the reimbursement of an attending provider because such provider provided care to an individual participant or beneficiary in accordance with this section;

''(4) provide incentives (monetary or otherwise) to an attending provider to induce such provider to provide care to an individual participant or beneficiary in a manner inconsistent with this section; or

''(5) subject to subsection (c)(4), restrict benefits for any portion of a period within a hospital length of stay required under subsection (a) in a manner which is less favorable than the benefits provided for any preceding portion of such stay.

''(c) RULES OF CONSTRUCTION.—

''(1) NO REQUIREMENT TO STAY.—Nothing in this section shall be construed to require an individual who is a participant or beneficiary to stay in the hospital for a fixed period of time for any procedure.

''(2) NO EFFECT ON REQUIREMENTS FOR MINIMUM HOSPITAL STAY FOLLOWING BIRTH.—Nothing in this section shall be construed as modifying the requirements of section 711.

''(3) NONAPPLICABILITY.—This section shall not apply with respect to any group health plan or any group health insurance coverage offered by a health insurance issuer (including a self-insured issuer), which does not provide benefits for hospital lengths of stay.

''(4) COST-SHARING.—Nothing in this section shall be construed as preventing a group health plan or a health insurance issuer offering group health insurance coverage in connection with a group health plan (including a self-insured issuer), from imposing deductibles, coinsurance, or other cost-sharing in relation to benefits for hospital lengths of stay under the plan or health insurance coverage offered in connection with a group health plan, except that such coinsurance or other cost-sharing for any portion of a period within a hospital length of stay required under subsection (a) may not be greater than such coinsurance or cost-sharing for any preceding portion of such stay.

''(d) NOTICE UNDER GROUP HEALTH PLAN.—The imposition of the requirements of this section shall be treated as a material modification in the terms of the plan described in section 102(a)(1), for purposes of assuring notice of such requirements under the plan; except that the summary description required to be provided under the last sentence of section 104(b)(1) with respect to such modification shall be provided by not later than 60 days after the first day of the first plan year in which such requirements apply.

''(e) LEVEL AND TYPE OF REIMBURSEMENTS.—Nothing in this section shall be construed to prevent a group health plan or a health insurance issuer offering group health insurance coverage in connection with a group health plan (including a self-insured issuer), from negotiating the level and type of reimbursement with a provider for care provided in accordance with this section.

''(f) PREEMPTION; EXCEPTION FOR HEALTH INSURANCE COVERAGE IN CERTAIN STATES.—

''(1) IN GENERAL.—The requirements of this section shall not apply with respect to health insurance coverage if there is a State law (as defined in section 731(d)(1)) for a State that regulates such coverage and provides greater protections to patients than those provided under this section.

''(2) CONSTRUCTION.—Section 731(a)(1) shall not be construed as superseding a State law described in paragraph (1).''.

(B) CONFORMING AMENDMENTS.—

(i) Section 731(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1191(c)) is amended by striking ''section 711'' and inserting ''sections 711 and 714''.

(ii) Section 732(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1191a(a)), as amended by section 603(b)(2) of Public Law 104–204, is amended by striking ''section 711'' and inserting ''sections 711 and 714''.

(iii) The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 is amended by inserting after the item relating to section 713 the following new item:

''Sec. 714. Standards relating to coverage of hospital lengths of stay.''.

(b) INDIVIDUAL MARKET.—Subpart 3 of part B of title XXVII of the Public Health Service Act (42 U.S.C. 300gg–51 et seq.) is amended by adding at the end the following new section:

''SEC. 2753. STANDARDS RELATING TO COVERAGE OF HOSPITAL LENGTHS OF STAY.

''The provisions of section 2707 shall apply to health insurance coverage offered by a health insurance issuer in the individual market in the same manner as they apply to health insurance coverage offered by a health insurance issuer in connection with a group health plan in the small or large group market.''.

(c) EFFECTIVE DATES.—

(1) GROUP HEALTH PLANS.—Subject to paragraph (3), the amendments made by subsection (a) shall apply with respect to group health plans for plan years beginning on or after January 1, 2000.

(2) HEALTH INSURANCE COVERAGE.—The amendment made by subsection (b) shall apply with respect to health insurance coverage offered, sold, issued, renewed, in effect, or operated in the individual market on or after such date.

(3) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a group health plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified before the date of enactment of this Act,

the amendments made subsection (a) shall not apply to plan years beginning before the later of—

(A) the date on which the last collective bargaining agreements relating to the plan terminates (determined without regard to any extension thereof agreed to after the date of enactment of this Act), or

(B) January 1, 2000.

For purposes of subparagraph (A), any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added by subsection (a) shall not be treated as a termination of such collective bargaining agreement.

SEC. 3. APPLICATION TO MEDICARE AND MEDICAID BENEFICIARIES.

(a) MEDICARE.—

(1) IN GENERAL.—Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is amended by adding at the end the following:

''STANDARDS RELATING TO COVERAGE OF HOSPITAL LENGTHS OF STAY

''SEC. 1897. (a) APPLICATION TO MEDICARE.—Notwithstanding the limitation on benefits described in section 1812, or any other limitation on benefits imposed under this title, the provisions of section 2707 of the Public Health Service Act shall apply to the provision of items and services under this title.

''(b) MEDICARE+CHOICE AND ELIGIBLE ORGANIZATIONS.—The Secretary may not enter into a contract with a Medicare+Choice organization under part C, or with an eligible organization with a risk-sharing contract under section 1876, unless the organization meets the requirements of section 2707 of the Public Health Service Act with respect to individuals enrolled with the organization.''.

(2) MEDICARE SUPPLEMENTAL POLICIES.—

(A) IN GENERAL.—Section 1882(c) of the Social Security Act (42 U.S.C. 1395ss(c)) is amended—

(i) in paragraph (4), by striking ''and'' at the end;

(ii) in paragraph (5), by striking the period and inserting '', and''; and

(iii) by adding at the end the following:

''(6) meets the requirements of section 2707 of the Public Health Service Act with respect to individuals enrolled under the policy.''.

(B) CONFORMING AMENDMENT.—Section 1882(b)(1)(B) of the Social Security Act (42 U.S.C. 1395ss(b)(1)(B)) is amended by striking ''(5)'' and inserting ''(6)''.

(3) COST SHARING.—Nothing in this subsection or section 2707(c) of the Public Health Service Act shall be construed as authorizing the imposition of cost sharing with respect to the coverage or benefits required to be provided under the amendments to the Social Security Act made by paragraphs (1) and (2) that is inconsistent with the cost sharing that is otherwise permitted under title XVIII of the Social Security Act.

(b) MEDICAID.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended by redesignating section 1935 as section 1936 and by inserting after section 1934 the following:

''STANDARDS RELATING TO COVERAGE OF HOSPITAL LENGTHS OF STAY

''SEC. 1935. (a) IN GENERAL.—A State plan may not be approved under this title unless the plan requires each health insurance issuer or other entity with a contract with such plan to provide coverage or benefits to individuals eligible for medical assistance under the plan, including a managed care entity, as defined in section 1932(a)(1)(B), to comply with the provisions of section 2707 of the Public Health Service Act with respect to such coverage or benefits.

''(b) COST SHARING.—Nothing in this section or section 2707(c) of the Public Health Service Act shall be construed as authorizing a health insurance issuer or entity to impose cost sharing with respect to the coverage or benefits required to be provided under section 2707 of the Public Health Service Act that is inconsistent with the cost sharing that is otherwise permitted under this title.

''(c) WAIVERS PROHIBITED.—The requirement of subsection (a) may not be waived under section 1115 or section 1915(b) of the Social Security Act.''.

(c) EFFECTIVE DATE.—The amendments made by this section apply to contract years under titles XVIII and XIX of the Social Security Act beginning on or after January 1, 2000.

(d) MEDIGAP TRANSITION PROVISIONS.—

(1) IN GENERAL.—If the Secretary of Health and Human Services identifies a State as requiring a change to its statutes or regulations to conform its regulatory program to the changes made by subsection (a)(2), the State regulatory program shall not be considered to be out of compliance with the requirements of section 1882 of the Social Security Act due solely to failure to make such change until the date specified in paragraph (4).

(2) NAIC STANDARDS.—If, within 9 months after the date of the enactment of this Act, the National Association of Insurance Commissioners (in this subsection referred to as the ''NAIC'') modifies its NAIC Model Regulation relating to section 1882 of the Social Security Act (referred to in such section as the 1991 NAIC Model Regulation, as modified pursuant to section 171(m)(2) of the Social Security Act Amendments of 1994 (Public Law 103–432) and as modified pursuant to section 1882(d)(3)(A)(vi)(IV) of the Social Security Act, as added by section 271(a) of the Health Insurance Portability and Accountability Act of 1996 (Public Law 104–191) to conform to the amendments made by this section, such revised regulation incorporating the modifications shall be considered to be the applicable NAIC model regulation (including the revised NAIC model regulation and the 1991 NAIC Model Regulation) for the purposes of such section.

(3) SECRETARY STANDARDS.—If the NAIC does not make the modifications described in paragraph (2) within the period specified in such paragraph, the Secretary of Health and Human Services shall make the modifications described in such paragraph and such revised regulation incorporating the modifications shall be considered to be the appropriate Regulation for the purposes of such section.

(4) DATE SPECIFIED.—

(A) IN GENERAL.—Subject to subparagraph (B), the date specified in this paragraph for a State is the earlier of—

(i) the date the State changes its statutes or regulations to conform its regulatory program to the changes made by this section, or

(ii) 1 year after the date the NAIC or the Secretary first makes the modifications under paragraph (2) or (3), respectively.

(B) ADDITIONAL LEGISLATIVE ACTION REQUIRED.—In the case of a State which the Secretary identifies as—

(i) requiring State legislation (other than legislation appropriating funds) to conform its regulatory program to the changes made in this section, but

(ii) having a legislature which is not scheduled to meet in 2000 in a legislative session in which such legislation may be considered,

the date specified in this paragraph is the first day of the first calendar quarter beginning after the close of the first legislative session of the State legislature that begins on or after July 1, 2000. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 4. APPLICATION TO OTHER HEALTH CARE COVERAGE.

(a) FEHBP.—Chapter 89 of title 5, United States Code, is amended by adding at the end the following:

''§ 8915. Standards relating to coverage of hospital lengths of stay

''(a) The provisions of section 2707 of the Public Health Service Act shall apply to the provision of items and services under this chapter.

''(b) Nothing in this section or section 2707(c) of the Public Health Service Act shall be construed as authorizing a health insurance issuer or entity to impose cost sharing with respect to the coverage or benefits required to be provided under section 2707 of the Public Health Service Act that is inconsistent with the cost sharing that is otherwise permitted under this chapter.''.

(b) MEDICAL CARE FOR MEMBERS AND CERTAIN FORMER MEMBERS OF THE UNIFORMED SERVICES AND THEIR DEPENDENTS.—Chapter 55 of title 10, United States Code, is amended by adding at the end the following:

''§ 1110. Standards relating to coverage of hospital lengths of stay

''(a) APPLICATION OF STANDARDS.—The provisions of section 2707 of the Public Health Service Act shall apply to the provision of items and services under this chapter.

''(b) COST-SHARING.—Nothing in this section or section 2707(c) of the Public Health Service Act shall be construed as authorizing the imposition of cost sharing with respect to the coverage or benefits required to be provided under section 2707 of the Public Health Service Act that is inconsistent with the cost sharing that is otherwise permitted under this chapter.''.

(c) VETERANS.—Subchapter II of chapter 17 of title 38, United States Code, is amended by adding at the end the following:

''§ 1720E. Standards relating to coverage of hospital lengths of stay

''(a) The provisions of section 2707 of the Public Health Service Act shall apply to the provision of items and services under this chapter.

''(b) Nothing in this section or section 2707(c) of the Public Health Service Act shall be construed as authorizing the imposition of cost sharing with respect to the coverage or benefits required to be provided under section 2706 of the Public Health Service Act that is inconsistent with the cost sharing that is otherwise permitted under this chapter.''.

(d) STATE CHILDREN'S HEALTH INSURANCE PROGRAM.—Section 2109 of the Social Security Act (42 U.S.C. 1397ii) is amended by adding at the end the following:

''(b) APPLICATION OF STANDARDS RELATING TO COVERAGE OF HOSPITAL LENGTHS OF STAY.—

''(1) IN GENERAL.—The provisions of section 2707 of the Public Health Service Act shall apply to the provision of items and services under this title.

''(2) COST-SHARING.—Nothing in this section or section 2707(c) of the Public Health Service Act shall be construed as authorizing a health insurance issuer or entity to impose cost sharing with respect to the coverage or benefits required to be provided under section 2707 of the Public Health Service Act that is inconsistent with the cost sharing that is otherwise permitted under this title.''.

(e) INDIAN HEALTH SERVICE AND HEALTH CARE PROVIDED BY TRIBAL ORGANIZATIONS.—Title VIII of the Indian Health Care Improvement Act (25 U.S.C. 1671 et seq.) is amended by adding at the end the following:

''STANDARDS RELATING TO COVERAGE OF HOSPITAL LENGTHS OF STAY

''SEC. 826. (a) The provisions of section 2707 of the Public Health Service Act shall apply to the provision of items and services under this Act by the Service or a tribal organization.

''(b) Nothing in this section or section 2707(c) of the Public Health Service Act shall be construed as authorizing the imposition of cost sharing with respect to the coverage or benefits required to be provided under section 2707 of the Public Health Service Act that is inconsistent with the cost sharing that is otherwise permitted under this Act.''.

(f) HEALTH CARE PROVIDED TO PEACE CORPS VOLUNTEERS.—Section 5(e) of the Peace Corps Act (22 U.S.C. 2504(e)) is amended by adding at the end the following: ''The provisions of section 2707 of the Public Health Service Act shall apply to the provision of items and services under this section. Nothing in this section or section 2707(c) of the Public Health Service Act shall be construed as authorizing the imposition of cost sharing with respect to the coverage or benefits required to be provided under section 2707 of the Public Health Service Act that is inconsistent with the cost sharing that is otherwise permitted under this section.''.

By Mrs. FEINSTEIN:

S. 266. A bill to amend the Clean Air Act to permit the exclusive application of California State regulations regarding reformulated gasoline in certain areas within the State; to the Committee on Environment and Public Works.

S. 267. A bill to amend the Solid Waste Disposal Act to direct Administrator of Environmental Protection Agency to give highest priority to petroleum contaminants in drinking water in issuing corrective action orders under the response program for petroleum; to the Committee on Environment and Public Works.

S. 268. A bill to specify the effective date of and require an amendment to the final rule of the Environmental Protection Agency regulating exhaust emissions from new spark-ignition gasoline marine engines; to the Committee on Environment and Public Works.

ELIMINATE MTBE FROM CALIFORNIA'S DRINKING WATER

Mrs. FEINSTEIN. Mr. President, today I am introducing three bills to stop the contamination of California's drinking water by the gasoline additive MTBE.

First, I am introducing a bill to allow California to apply its own clean or reformulated gasoline rules as long as emissions reductions are equivalent or greater. California's rules are stricter than the federal rules and thus meet the air quality requirements of the federal Clean Air Act. This bill is the companion to H.R. 11 introduced by Representative BILBRAY on January 6, 1998.

MTBE or methyl tertiary butyl either is added to gasoline by some refiners in response to federal requirements that areas with the most serious air pollution problems use what is called ''reformulated gasoline,'' a type of cleaner-burning gasoline. The federal law requires that this gasoline contain 2 percent by weight oxygenate. MTBE has been the oxygenate of choice by some refiners.

The major source of MTBE in groundwater appears to be leaking underground storage tanks. In surface water, it is recreational gasoline-powered boating and personal watercraft, according to the California Environmental Protection Agency.

The second bill requires the U.S. Environmental Protection Agency to make petroleum releases into drinking water the highest priority in the federal underground storage tank cleanup program. This bill is needed because underground storage tanks are the major source of MTBE into drinking water and federal law does not give EPA specific guidance on cleanup priorities.

The third bill will move from 2006 to 2001 full implementation of EPA's current watercraft engine exhaust emissions requirements. The California Air Resources Board on December 10, 1998, adopted watercraft engine regulations in effect making the federal EPA rules effective in 2001, so this bill will make the deadline in the federal requirements consistent with California's deadlines. In addition, the bill will require an emissions label on these engines consistent with California's requirements so the consumer can make an informed purchasing choice. This bill is needed because watercraft engines have remained essentially unchanged since the 1930s and up to 30 percent of the gas that goes into the motor goes into water unburned.

These three bills represent three steps toward getting MRBE out of California's drinking water.

BILL 1: THE CALIFORNIA CLEAN GAS FORMULA

The Feinstein-Bilbray bill would provide that if a state's reformulated gasoline rules achieve equal or greater emissions reductions than federal regulations, a state's rules will take precedence. The bill would apply only to states which have received waivers under Section 209(b)(1) of the Clean Air Act. California is the only state currently eligible for this waiver, a waiver allowing California to set its own fuel standards. The other 49 states do not set their own fuel specifications.

This bill would exempt California from overlapping federal oxygenate requirements and give gasoline manufacturers the flexibility to reduce or even eliminate the use of MTBE, while not reducing our air quality.

In 1994, the CARB adopted a ''predictive model,'' which is a performance based program that allows refiners to use innovative fuel formulations to meet clean air requirements. The predictive model provides twice the clean air benefits required by the federal government. With this model, refiners can make cleaner burning gasoline with one percent oxygen or even no oxygen at all. The federal two percent oxygenate requirement limits this kind of innovation. In fact, Tosco and Shell are already making MTBE-free gasoline.

In addition, Chevron has said:

MTBE is the best oxygenate of choice for blending CBG (clean burning gasoline) in California refineries. . . . However, consistent with our desire to reduce or eliminate MTBE from cleaner burning gas (CBG), we want the flexibility to be able to make prudent use of any oxygenate—MTBE, ethanol, or the use of no oxygenate—while meeting the emissions performance standards of reformulated gasolines. If the government allows this flexibility, Chevron would likely use more ethanol than now to efficiently provide cleaning burning gasoline.

The legislation allows that companies who serve California's gasoline needs to continue to adopt innovative formulas for cleaner burning gasoline without contaminating the water.

The University of California study, released in November, recommended phasing our MTBE and concluded that oil companies can make cleaner-burning gasoline that meets federal air standards without MTBE.

THE PROBLEM: DRINKING WATER CONTAMINATION

Contamination of California's drinking water by MTBE is growing almost daily. A December 14, 1998 San Francisco Chronicle headline calls MTBE a ''Ticking Bomb.'' The University of California study says, ''If MTBE continues to be used at current levels and more sources become contaminated, the potential for regional degradation of water resources, especially groundwater basins, will increase. Severity of water shortages during drought years will be exacerbated.''

In higher concentrations, MTBE smells like turpentine and it tastes like paint thinner. Relatively low levels of MTBE can simply make drinking water simply undrinkable.

MTBE is a highly soluble organic compound which moves quickly through soil and gravel. It therefore poses a more rapid threat to water supplies than other constituents of gasoline when leaks occur. MTBE is easily traced, but is very difficult and expensive to cleanup. The Association of California Water Agencies estimates that it would cost as much as $1 million per well to install treatment technology to remove MTBE from drinking water. Without these funds, the only option is to shut down wells.

MTBE use has escalated from 12,000 barrels a day in 1980 to about 100,000 barrels today, according to CARB. EPA says that about 30 percent of the nation's gasoline is reformulated gas and MTBE is used in about 84 percent of reformulated gasoline. Two-thirds of California's gasoline is subject to the federal oxygenate requirement. This growth in use of MTBE is directly attributable to the requirements of the Federal Clean Air Act.

CONTAMINATION WIDESPREAD

A June 12, 1998 Lawrence Livermore National Laboratory study concluded that MTBE is a ''frequent and widespread contaminant'' in groundwater throughout California and does not degrade significantly once it is there. This study found that groundwater has been contaminated at over 10,000 shallow monitoring sites. The Livermore

study says that ''MTBE has the potential to impact regional groundwater resources and may present a cumulative contamination hazard.''

Californians are more dependent on groundwater as a source of drinking water than most Americans. According to the U.S. Geological Survey, 69 percent of California's population relies on groundwater as their source of drinking water, while for the U.S. population at large, 53 percent of the population relies on groundwater.

Similarly, the Association of California Water Agencies reports that MTBE has impacted over 10,000 sites.

MTBE has been detected in drinking water supplies in a number of cities, including Santa Monica, Riverside, Anaheim, Los Angeles, San Francisco, Sebastopol, Manteca, and San Diego. MTBE has also been detected in numerous California reservoirs, including Lake Shasta in Redding, San Pablo and Cherry reservoirs in the Bay Area, and Coyote and Anderson reservoirs in Santa Clara.

Santa Monica lost 75 percent of its groundwater supply; the South Lake Tahoe Public Utility District has lost over one-third of drinking water wells. Drinking water wells in Santa Clara Valley (Great Oaks Water Company) and Sacramento (Fruitridge Vista Water Company) have been shut down because of MTBE contamination.

In addition, MTBE has been detected in the following surface water reservoirs: Lake Perris (Metropolitan Water District of Southern California), Anderson Reservoir (Santa Clara Valley Water District), Canyon Lake (Elsinore Valley Municipal Water District), Pardee Reservoir and San Pablo Reservoir (East Bay Municipal Utility District), Lake Berryessa (Solano County Water Agency).

The largest contamination occurred in the city of Santa Monica, which lost 75% of its groundwater supply as a result of MTBE leaking out of shallow gas tanks beneath the surface; MTBE has been discovered in publicly owned wells approximately 100 feet from City Council Chamber in South Lake Tahoe; In Glennvile, California, near Bakersfield, MTBE levels have been detected in groundwater as high as 190,000 parts per billion—dramatically exceeding the California Department of Health advisory of 35 parts per billion; and

DANGERS OF MTBE

The United States EPA has indicated that ''MTBE is an animal carcinogen and has a human carcinogenic hazard potential.''

Studies to assess hazards to animals have found that MTBE is carcinogenic in rodents in high doses. MTBE has been linked to leukemia and lymphomas in female rats and an increase in benign testicular tumors in male rats. Studies of inhalation exposure in rats have also shown increased incidence of kidney, testicular, and liver tumors. Inhalation exposure has also resulted in adverse effect on developing mouse fetuses.

The Alaska Department of Health and Social Services and the Centers for Disease Control monitored concentrations of MTBE in the air and in the blood of humans in 1992 and 1993. Blood levels of MTBE were analyzed in gasoline station and car-repair workers and commuters. People with higher blood levels of MTBE were significantly more likely to report more headaches, eye irritation, nausea, dizziness, burning of the nose and throat, coughing, disorientation and vomiting, compared with those who had lower blood levels. From these studies, EPA concluded, ''MTBE can pose a hazard of non-cancer effects to humans at high doses. The data do not support confident quantitative estimations or risk at low exposure.''

CALIFORNIA'S REGULATIONS CAN ACHIEVE WHAT FEDERAL LAW INTENDS

The federal gasoline oxygenate requirement went into effect in December 1994, affecting areas where the air quality is the worst. Today, reformulated gasoline is required by federal law in the following areas of California:

Year-round: Oxygenates are required to be used in the South Coast Air Basin (the counties of Los Angeles, Riverside, San Bernadino, Orange, Ventura) and the Sacramento metropolitan area (which includes all of Sacramento County and portions of Yolo, Placer and Eldorado County).

Wintertime: Oxygenates are required to be added to gasoline in the Southern California Air Basin (the entire counties of Los Angeles, Riverside, San Bernardino, Orange, and Ventura), Imperial County, Fresno and Lake Tahoe.

While federal Clean Air Act regulations were being promulgated, the California Air Resources Board developed more stringent air standards, using a ''predictive model.''

The Clean Air Act has no doubt helped reduce emissions throughout the United States, but the federal requirements have imposed limitations on the level of flexibility that U.S. EPA can grant to California. The overlapping applicability of both the federal and state reformulated gasoline rules has actually prohibited gasoline manufacturers from responding as effectively as possible to unforseen problems with their product. This bill addresses exactly this type of situation.

This legislation rewards California for its unique and effective approach in solving its own air quality problems by permitting it an exemption from federal oxygenate requirements as long as tough environmental standards are enforced. This bill does not weaken the Clean Air Act, but instead is a step in the right direction, towards sound environmental policy. It is a narrowly-targeted bill designed to make our drinking water clean to drink. With this bill, California is once again taking the initiative to lead the way in ensuring the protection of the air we breath, and the water we drink.

By allowing the companies that supply our state's gasoline to use good science and sound environmental policy, we can achieve the goals set forth by the Clean Air Act, without sacrificing California's clean water.

CALIFORNIA, A LEADER IN AIR CLEANUP

California's efforts to improve air quality predate similar federal efforts and have achieved marked success in reducing emissions, resulting in the cleanest air Californians have seen in decades.

Since the introduction of California Cleaner Burning Gasoline program, there has been a 300 ton per day decrease in ozone forming ingredients found in the air. This is the emission reduction equivalent of taking 3.5 million automobiles off the road. California reformulated gasoline reduces smog forming emissions from vehicles by 15 percent.

The state has also seen a marked decrease in first stage smog alerts, during which residents with respiratory ailments are encouraged to stay indoors.

John Dunlap, former Chairman of California's Air Board, who supports this legislation, has said:

> . . . our program has proven (to have) a significant effect on California's air quality. Following the introduction of California's gasoline program in the spring of 1996, monitored levels of ozone . . . were reduced by 10 percent in Northern California, and by 18 percent in the Los Angeles area. Benzene levels (have decreased) by more than 50 percent.

THIS BILL SHOULD BE ENACTED

There are several reasons to enact this bill:

1. Studies confirm need to eliminate MTBE.

The June 11, 1998 Lawrence Livermore study found MTBE at 10,000 sites and said it is ''a frequent and widespread contaminant in shallow groundwater throughout California.''

A five-volume University of California November 12, 1998 study concluded that MTBE provides ''no significant air quality benefit'' and that if its use is continued, ''the potential for regional degradation of water resources, especially groundwater, will increase.'' The landmark UC study recommended that MTBE use be phased out and that refiners be given the flexibility of the state's clean gas regulations.

2. MTBE is not needed. California can meet federal clean air standards by using our own state clean gas regulations.

The California Air Resources Board has testified that we can have equivalent or greater reductions in emissions and improve air quality using California's regulations. These standards are more stringent than the federal requirements, but offer gasoline refiners more flexibility.

3. MTBE in drinking water poses health risks.

MTBE is an animal carcinogen and a potential human carcinogen. It tastes bad. It smells bad. It may have other harmful human health effects.

4. The dangers of MTBE were not considered when Congress last amended the Clear Air Act in 1990.

According to the Congressional Research Service, during Congress's consideration of the Clean Air Act Amendments, which became law in 1990, there was no discussion of the possible adverse impacts of MTBE as a gasoline additive. Likewise, CARB has said that when they were considering our state's reformulated gasoline regulations, ''the concern over the use of oxygenates was not raised as an issue.''

5. California needs water.

California cannot afford to lose any more of its drinking water. According to the Association of California Water Agencies, by the year 2020, California will be 4 million to 6 million acre-feet short of water each year without additional facilities and water management strategies.

5. Congress has long recognized that California is a unique case.

California's efforts to improve air quality predate similar federal efforts. We have our own clean gas program and U.S. EPA has given the state a waiver under section 209(b)(1) of the Clean Air Act to develop our own program.

WIDESPREAD SUPPORT

I am appending at the end of my statement a list of California local governments, water districts, air districts, statewide and other organizations that support my MTBE bill.

BILL 2: STOPPING UNDERGROUND TANK LEAKS

My second bill will make threats to drinking water the highest priority in the federal underground tank cleanup program at EPA.

In 1986, Congress created a Leaking Underground Storage Tank (LUST) Trust Fund, funded by a one-tenth of one cent tax on all petroleum products. These funds are available to enforce cleanup requirements; to conduct cleanups where there is no financially viable responsible party or where a responsible party fails to correct; to take corrective action in emergencies; and to bring actions against parties who fail to comply. There is approximately $1.5 billion currently in the fund.

Under current law, section 9003(h)(3) of the Solid Waste Disposal Act, EPA is required to give priority in corrective actions to petroleum releases from tanks which pose ''the greatest threat to human health and the environment,'' a provision that I support. My bill would add simple clarifying language that in essence says that threats to drinking water are the most serious threats and should receive priority attention.

Leaking underground gasoline storage tank systems are the major source of MTBE into drinking water. The June 11, 1998 Lawrence Livermore Laboratory study that examined 236 tanks in 24 California counties found MTBE at 78 percent of these sites. These scientists said that a minimum estimate of the number of MTBE-impacted tank sites in my state is over 10,000. Federal law requires tanks to have protections against spills, overfills, and tank corrosion by December 22, 1998. Tank owners have had ten years to do this. EPA has estimated that half the nation's 600,000 tanks and 52 percent of California's 61,000 complied by the December 22 deadline.

Clearly, stopping these leaks is a big part of the solution of stopping the release of MTBE. Making threats to drinking water a top cleanup priority makes sense since clean drinking water is fundamental to human health.

BILL 3: MOTORCRAFT ENGINES

My third bill addresses a third source of MTBE into drinking water—watercraft engines. The Association of California Water Agencies says that MTBE in surface water reservoirs comes largely from recreational watercraft.

In October 1996, U.S. EPA published regulations, starting in model year 1998, requiring stricter emissions controls on personal watercraft engines to be fully implemented by 2006. On December 10, 1998, the California Air Resources Board adopted regulations very similar to EPA's in substance, but accelerating their effective date to 2001, five years earlier. In addition, California added two more ''tiers'' of emissions reductions that go beyond U.S. EPA's, reducing emissions by 20 percent more in 2004 and 65 percent more in 2008. Under the federal requirements, there would be a complete fleet turnover by 2050; in California, there would be a complete fleet turnover in 2024, 26 years earlier.

The federal and the California rules apply to (1) spark-ignition outboard marine and (2) personal watercraft engines, such as motorboats, jet skis and wave runners, beginning in model year 2001.

Outboard engines: In 1990, there were 373,200 gasoline-powered outboard engines in California. California sales of outboard engines represented ten percent of the U.S. market in 1997.

Personal watercraft: California sales of these engines were 12 percent of the 176,000 sales in the U.S. in 1995, numbers which have no doubt grown significantly. Personal watercraft like jet skis have increased by 240 percent since 1990 and these numbers are expected to double by 2020.

We need to curb emissions from these marine engines because (1) unlike automobiles which exhaust into the air, all marine engines exhaust directly into the water, and (2) 20 to 30 percent of the gas that goes in, comes out unburned. According to CARB, these engines ''discharge an unburned fuel/oil mixture at levels approaching 20 to 30 percent of the fuel/oil mixture consumed. This unregulated discharge of fuel and oil threatens degradation of high quality waters . . .'' CARB says that two hours of exhaust emissions from a jet ski is equivalent to the emission created by driving a 1998 automobile 130,000 miles. Some areas are considering banning jet skis and gas-powered boats.

My bill does two things: (1) It would make the EPA's existing regulations effective in 2001, instead of 2006, consistent with California's regulations. (2) It would direct EPA to make one addition to their current regulation, an engine labeling requirement, consistent with California's labeling requirement, designed to inform consumers of the relative emissions level of new engines.

Because these engines put MTBE and other constituents of gasoline into surface waters, I believe we need to accelerate the national rules to discourage people from ''engine shopping'' from state to state and bringing ''dirty'' engines into California. Because my state's relatively mild weather encourages boating, our air board concluded that we need more stringent standards than the national standards. Up to 30 percent of gasoline in these engines comes out unburned. In other words, of 10 gallons per hour used, about two and one half gallons of fuel goes into the water unburned in one hour. This has to stop.

The November 1998 University of California study recognizes the emissions of MTBE into surface waters from watercraft and says that technologies are available that will ''significantly reduce MTBE loading,'' that the older carbureted two-stroke engines release much larger amounts of MTBE and other gasoline constituents than the fuel-injected engines or the four-stroke engines.

Millions of Californians should not have to drink water contaminated with MTBE. I believe we must take strong steps to end this contamination.

ADDITIONAL COSPONSORS

S. 3

At the request of Mr. GRAMS, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 3, a bill to amend the Internal Revenue Code of 1986 to reduce individual income tax rates by 10 percent.

S. 11

At the request of Mr. ABRAHAM, the names of the Senator from Ohio (Mr. DEWINE), the Senator from North Carolina (Mr. HELMS), the Senator from Colorado (Mr. ALLARD), the Senator from Wisconsin (Mr. FEINGOLD), and the Senator from Minnesota (Mr. WELLSTONE) were added as cosponsors of S. 11, a bill for the relief of Wei Jingsheng.

S. 35

At the request of Mr. GRASSLEY, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of 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.

At the request of Mr. GRASSLEY, the name of the Senator from Louisiana (Mr. BREAUX) was withdrawn as a cosponsor of S. 35, supra.

S. 36

At the request of Mr. GRASSLEY, the name of the Senator from Louisiana