Mr. LOTT. I will be out here. I will see the Senator from Nevada on the floor. We will make those calls at that time and notify everybody so they at least have 24 hours' notice.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

BANKRUPTCY REFORM

Mr. WELLSTONE. Mr. President, I am going to take a few moments. I know Senator KENNEDY is here on the floor, and I believe Senator FEINGOLD may be coming down as well. In any case, I want colleagues to know next week when we do get back to the bankruptcy bill, whenever it is, there are a number of Senators who are ready to speak on this bill and go into its substance.

I think the 100–0 vote is an indication that we do not mind going forward with the bill, but we do intend to speak about this legislation because the more people know about this legislation, the more likely Senators will vote against it. We certainly intend to have the debate, and if there is a cloture vote next week—there may or may not be—we intend to do everything we can to defeat this legislation. We have time to debate this legislation next week. If it goes to beyond cloture, we will have more hours then to debate this legislation. Let's take one step at a time.

I will point out to Senators the process first, and then we will go to substance. I do not know whether or not this is an argument that wins with the public. The argument about this bankruptcy bill on substance wins with the public. We have had some discussion about the scope of the conference and rule XXVIII.

This was a State Department authorization bill. We had an ''invasion of the body snatchers'' where all of the content dealing with State Department reauthorization has been taken out and bankruptcy has been put in. It is a clear abuse of the legislative process. I doubt whether any Senator who views himself as a legislator can be comfortable with the way we are proceeding.

I believe there are many Senators who are going to want to speak about this outrageous process. I do not know if I have ever seen anything like this where we have a State Department reauthorization bill conference report that is hollowed out, gutted completely, and replaced by the bankruptcy reform bill conference report. It is unbelievable. It is beyond anything I ever imagined could go wrong in the Senate. It is a way to jam something through, but in one way I can understand why the majority leader and others would try to jam this through because the content, the actual legislation itself, is so egregious.

I simply point out to Senators that there is not one word, not one aspect of this legislation—next week I will have a chance to talk a lot about it; we will talk a lot about this legislation—there is not one word, not one provision, not one sentence, not one section which holds credit card companies or large banks accountable for their predatory practices. There is no accountability whatsoever.

We have nothing in this legislation that holds them accountable, but what we do have is legislation that, first of all, rests on a faulty premise. The bill addresses a crisis that does not exist. We keep hearing these scare statistics, which, by the way, do not jibe with the empirical evidence that there has been all these increased bankruptcy filings. In fact, bankruptcy filings have fallen dramatically over the last 2 years.

We have heard about the abuse. The American Bankruptcy Institute points out that, at best, we are talking about 3 percent of the people who file chapter 7 who actually could pay back their debts; 3-percent abuse, and for 3-percent abuse, what we are doing is tearing up a safety net for middle-income people, for working-income people, for low-income people who are trying to rebuild their lives.

Do we do anything about health care costs? No. Is the No. 1 cause of bankruptcy medical bills? Yes. Do we do anything about raising the minimum wage? No. Do we do anything about affordable housing? No. Do we do anything about affordable prescription drugs for elderly people? No. But the banking industry and the credit card industry get a free ride, and we pass a piece of legislation which is so harsh that it will make it difficult for middle-income people, much less low-income people, to rebuild their lives.

Hardly anybody abuses this. No one wants to go through bankruptcy. People are doing it because there is a major illness in their family. They are doing it because somebody lost their job. They are doing it because of some financial catastrophe. When people today try to rebuild their lives, we come to the floor of the Senate with a piece of legislation basically written by the credit card industry, written by the big financial institutions. They are the ones with all the clout. They are the ones with all the say.

I say to my colleagues, it is not coincidental that every civil rights organization opposes this; that every labor organization opposes this; that almost every single women's and children's organization opposes this; that the vast majority of the religious communities and organizations oppose this.

Today we had a vote to proceed, but next week there will be an all-out debate and we will focus on the harshness of this legislation, the one-sidedness of this legislation. By the way, this legislation in this hollowed out sham conference report is worse than the legislation that passed the Senate.

Now we have a bill that says to women, single women, children, low- and moderate-income families: You are not going to be able to rebuild your lives; we are going to pass a piece of legislation that is going to make it impossible for you to rebuild your lives even when you have been put under because of a huge medical bill, no fault of your own. At the same time, for those folks who have lots of money, if they want to go to one of the five States where they can put all their money into a $1 million or $2 million home, they are exempt; they are OK.

This is what the majority party brings before the Senate. It is unbelievable. No wonder they have to do it through this ''invasion of the body snatchers'' conference report. They take a State Department conference report, gut it, take out every provision that deals with the State Department reauthorization, and put in a bankruptcy bill that is even more harsh than the one that passed the Senate that is anticonsumer, antiwomen, antichildren, antiworking people and I think anti some basic values about fairness and justice.

I hope next week—I do not hope, I know—there will be a sharp debate, and we are prepared to debate this; we are prepared to use every single privilege we have as Senators to fight this tooth and nail.

And next week there will be a long, spirited discussion about this piece of legislation.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I want to, first of all, thank my friend and colleague, the Senator from Minnesota, for his very eloquent statement, and most of all for all of his good work in protecting working families in this country on this extremely important piece of legislation.

I, too, am troubled, as I mentioned earlier today, by the fact that with all the unfinished business we have in the Senate that now with the final hours coming up next week, we are being asked to have an abbreviated debate and discussion on the whole issue of bankruptcy without the opportunity for amendments. Effectively, we are being asked to take it or leave it on legislation which is going to affect millions of our fellow citizens.

I had wished that we had scheduled other legislation, as I mentioned earlier today. I wish we were willing to come on back to the Elementary and Secondary Education Act or in terms of a Patients' Bill of Rights or a prescription drug program for our seniors in our country.

As someone who has been traveling around my own State, this is what I hear from families all over Massachusetts: Why isn't the Senate doing its business? Why didn't it do its business reauthorizing the Elementary and Secondary Education Act? This is the first time in 34 years that it has not done so. Why is it 3 weeks late in terms of appropriating funding for education, of which we hear a great deal in the Presidential debates? And in the Congress,

aren't we somehow sensitive to what our leaders are saying in the Republican and Democratic parties about the importance of education? Here we are now 3 weeks late, and the last appropriation, evidently, is going to be the education one. That is not the way that we think we ought to be doing business.

So we find ourselves coming back to this issue—or will next week—on the question of whether we are going to accept bankruptcy legislation.

I want to make a few points at the outset of my remarks: some proponents of this legislation argue that all the outstanding concerns about the bill have been resolved and that the problems have been fixed. That is simply untrue. It is a myth that women and children are protected under the provisions of this bill.

Over 30 organizations that advocate for women and children wrote us and said that by increasing the rights of many creditors—including credit card companies, finance companies, auto lenders, and others—the bill would set up a competition for scarce resources between parents and children owed child support, and commercial creditors, both during and after bankruptcy. Contrary to the claims of some, the domestic support provisions included in the bill would not solve these problems.

I have here a list of advocates for women and children who are opposed to this bill. I listened recently, a few hours ago, to a very impassioned statement by one of my colleagues about how the women and children were being protected. Here is a list—and I will include the list in the Record—of groups that, for the life of their years, have been advocates for children and women. These groups say that provisions in the conference committee report are going to put children and women at serious risk and that the proposed bankruptcy law will do a significant disservice to their rights. This is not only what these various groups have said, but this is also the conclusion of the 82 bankruptcy scholars I have listed that I will include in the RECORD.

Mr. President, I ask unanimous consent that the letter written by 82 bankruptcy scholars to our colleagues outlining the provisions of the conference report that put women and children at risk be printed in the RECORD.

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

SEPTEMBER 7, 1999.

Re The Bankruptcy Reform Act of 1999 (S. 625)

Hon. ORRIN HATCH,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, DC.

Hon. PATRICK LEAHY,
Ranking Member, Committee on the Judiciary, U.S. Senate, Washington, DC.

DEAR SENATORS: We understand that the United States Senate is scheduled to consider S. 625, the Bankruptcy Reform Act of 1999, in the near future. This letter offers the views of the eighty-two (82) undersigned professors of bankruptcy and commercial law on important consumer bankruptcy aspects of this legislation.

We recognize the concern that some individuals and families are filing for chapter 7 bankruptcy to be relieved of financial obligations when they otherwise could repay some or all of their debts. Fostering increased personal responsibility is a worthwhile aim. However, we believe that S. 625 as currently drafted will not achieve the goals of bankruptcy reform in an equitable and effective manner, and we fear that some provisions of the bill have the potential to do more harm than good.

Specifically, we urge consideration of two principal points:

The ''means test'' in S. 625 may not identify those individuals with the ability to repay a substantial portion of their debts, while at the same time it may work considerable hardship on financially strapped individuals and families filing bankruptcy petitions that are not abusive.

This bill contains much more than a means test. Dozens of provisions in S. 625 substantially enhance the rights of a variety of creditor interests and increase the cost and complexity of the system. Taken as a whole, these provisions may adversely affect women and children—both as debtors and creditors—as well as other financially vulnerable individuals and families.

MEANS TEST

The cornerstone of consumer bankruptcy reform is the ''means test.'' Why have a means test? The perception is that some debtors with a meaningful ability to repay their debts are filing chapter 7 to discharge those debts, and instead should repay their debts in chapter 13. A means test is supposed to find and exclude those ''can-pay'' debtors from chapter 7. The trick is identifying the real abusers at an acceptable cost, without unfairly burdening those ''honest but unfortunate'' debtors who legitimately need chapter 7 bankruptcy relief.

In thinking about the proper design of a means test, it first is essential to understand the extent to which individuals and families are actually abusing the bankruptcy system. Since last year's debates on bankruptcy reform, a study funded by the independent and nonpartisan American Bankruptcy Institute found that less than 4% of consumer debtors could repay even 25% of their unsecured nonpriority debts if they could dedicate every penny of income to a repayment plan for a full 5 years. In short, for about 96% of consumer debtors, chapter 7 bankruptcy is an urgent necessity. Of course, the fact that most debtors cannot pay does not mean that the S. 625 means test will not affect them.

Last year, the Senate worked hard on a bankruptcy reform bill that went through substantial revision and ultimately passed by a vote of 97 to 1 (S. 1301). S. 1301 was reintroduced this year (now S. 945, known as the Durbin-Leahy bill), but was not the starting point for this year's bankruptcy reform debate, and many key provisions of S. 625 differ substantially from those in S. 1301, including many details of the means test:

S. 625 uses a rigid, arbitrary, nondiscretionary mathematical test to define ''abuse''; whether a debtor could repay 25% of $15,000 of unsecured nonpriority debts over 5 years versus S. 945, which considers whether a debtor could repay 30% of such debts over 3 years in a chapter 13 plan under the standards used in chapter 13 today. In an effort to impose a standardized and objective means test, S. 625 contains loopholes that permit high income debtors to escape the means test by incurring extra secured debt or reducing income. Individualized discretion vested in the hands of those closest to the front—the able bankruptcy judges—will be more effective in identifying abusive cases.

S. 625 uses rigid IRS collection standards, which have been criticized by Congress in other debates, to determine the allowable expenses of families versus S. 945, which analyzes actual expenses and whether those expenses are reasonable. The IRS collection standards are used by the IRS on a case-by-case basis and are not well suited to form the basis of an objective bankruptcy means test, particularly because they do not automatically cover critical expenses such as health insurance and child care. As noted by House Judiciary Committee Chairman Henry Hyde, using the IRS collection standards as part of a bankruptcy means test may produce substantial hardship for financially troubled families. That hardship is unnecessary when there are other more effective ways to determine whether a debtor has the ability to repay debts.

S. 625 measures debtors' ability to pay over 5 years versus S. 945, which measures ability to pay over 3 years, which is currently the standard duration of chapter 13 repayment plans. Already, two-thirds of individuals who file under chapter 13 do not make it to the end of a 3-year plan. It is unrealistic, and perhaps even a bit misleading, to gauge an individual's ability to pay over 5 years when the likelihood of that happening is not very high.

ADVERSE EFFECT OF CONSUMER BANKRUPTCY OVERHAUL ON FINANCIALLY VULNERABLE FAMILIES, SUCH AS SINGLE PARENT HOUSEHOLDS

Spanning approximately 350 pages, S. 625 clearly is much more than a means test. Many of the provisions in this reform effort, particularly those that enhance creditors' rights and complicate bankruptcy procedures, substantially alter the relief available in both chapter 7 and chapter 13 repayment plans. These changes may or may not do much to prevent abuse of the system, but for the most part they apply to all bankruptcy cases and may produce unintended consequences.

Last year, numerous Senators, Administration officials, and bankruptcy experts expressed concern that certain elements of bankruptcy reform may increase the hurdles for financially troubled women and children to collect support payments and gain financial stability. Since then, a set of domestic support provisions has been added to the bill. Those provisions may be helpful to state support enforcement agencies and, in some instances, to women and children trying to collect support. However, those provisions are not at all responsive to the concerns originally identified. A close look suggests that these concerns persist:

First: Women and children as creditors will have to compete with powerful creditors to collect their claims after bankruptcy.

Current bankruptcy law provides that deadbeat debtor husbands and fathers cannot be relieved of liability for alimony, maintenance, and support, which means that those women and children as creditors are still entitled to collect domestic support from the debtor after he emerges from bankruptcy. Importantly, relatively few other debts are usually excluded from discharge, increasing the likelihood that the support recipients will be able to collect both past-due and ongoing support payments. S. 625 substantially alters that situation and increases the number of large and powerful creditors who can continue to collect their debts after bankruptcy, competing with women and children to collect their debts after bankruptcy. Women and children are likely to lose that competition.

Following are just a few examples of how S. 625 increases the competition women and children will face:

Debtors will remain liable for more credit card debts after the bankruptcy process is over. This will be true even for debtors who dedicate every penny to a 5-year chapter 13 repayment plan.

Debtors will be pressured to retain legal liability for more consumer debts by signing reaffirmation agreements, particularly in connection with debts incurred with the charge cards of large retail stores.

More of the debtor's limited resources will be siphoned off to pay creditors claiming that their debts are secured by the debtor's property, even if that property is nearly worthless.

Second: Giving ''first priority'' to domestic support obligations does not address the problem.

Arguing that the bill now favors the claims of women and children, proponents of this reform effort emphasize that the bill gives ''first priority'' to domestic support obligations. In practice, this change in priority is not responsive to the major problems for women and children in this bill. Why is this so?

Changing the priority in distribution during bankruptcy will make a difference to women and children in less than 1% of the cases, and could actually result in reduced payments in some instances.

The priority provision does not affect priority or collection rights after the bankruptcy case is over. Collecting after bankruptcy—not during bankruptcy—is often the significant issue for support recipients.

Third: Substantial enhancements of creditors' rights, without sufficient protections to keep those powers in check, undercut the opportunity for financial rehabilitation for women and children who file for bankruptcy themselves.

It is estimated that 540,000 women will file bankruptcy alone in 1999. Many of the provisions that harm the interests of women as creditors will hurt women who use the system as debtors, some of whom file after being unable to collect support. S. 625 is replete with provisions that tighten the screws on families who legitimately need debt relief through bankruptcy, and also contains many new roadblocks and cumbersome informational requirements that will substantially increase the cost of accessing the system for the families who are most in need of debt relief and financial rehabilitation.

As professors of commercial and bankruptcy law, we urge the distinguished members of the United States Senate to enact bankruptcy reform that restores an appropriate balance to the legitimate interests of all debtors and creditors. Bankruptcy law is a very complex system. Great care must be taken when revising that system not to make things worse. We have faith that you can bring about positive change.

Thank you for your consideration.

Mr. KENNEDY. I will just read at this time this particular paragraph of the letter:

Last year, numerous Senators, Administration officials, and bankruptcy experts expressed concern that certain elements of bankruptcy reform may increase the hurdles for financially troubled women and children to collect support payments and gain financial stability. Since then, a set of domestic support provisions has been added to the bill. Those provisions may be helpful to state support enforcement agencies and, in some instances, to women and children trying to collect support. However, those provisions are not at all responsive to the concerns originally identified. A close look suggests that these concerns persist:

Women and children as creditors will have to compete with powerful creditors to collect their claims after bankruptcy.

There it is: ''Women and children as creditors will have to compete with powerful creditors to collect their claims after bankruptcy''—period.

Who do you think is going to win? The powerful creditors or the women and the children? The women who might be out there trying to collect alimony, or the mothers who, as a result of a separation or divorce, are trying to get child support, or the creditors who are represented by powerful financial interests and a whole battery of lawyers? Who do we think is going to win?

Those who have studied the bankruptcy laws—without being Republican or Democrat—have all stated their belief that creditors are going to win. As a result, the women and children are going to be put at risk. So we are going to hear a great deal about how this legislation protects women and children. It does not. It does not. And we will welcome the opportunity to engage in that debate as this process moves along.

A second point that is mentioned in this letter—I will again just read a portion of it:

Giving ''first priority'' to domestic support obligations does not address the problem.

Arguing that the bill now favors the claims—

This is an additional reference to the point about women and children—

Arguing that the bill now favors the claims of women and children, proponents of this reform effort emphasize that the bill gives ''first priority'' to domestic support obligations. In practice, this change in priority is not responsive to the major problems for women and children in the bill. Why is this so?

Changing the priority in distribution during bankruptcy will make a difference to women and children in less than 1 percent of the cases, and could actually result in reduced payments in some instances.

Second:

The priority provision does not affect priority or collection rights after the bankruptcy case is over. Collecting after bankruptcy—not during bankruptcy—is often the significant issue for support recipients.

Here it is. They know how to work the language. The credit card companies know how to work the language to give the facade that they are protecting the women and children, but they are not. They are putting them at greater risk.

Why, with all the things that need to be done in this country at this time, we are trying to stampede the Senate into legislation that is going to put women and children at greater risk when they are facing hardships in their lives, is beyond my comprehension in one respect, but it is very understandable in another respect; and that is because of the same reasons that we are not getting a Patients' Bill of Rights up before us, because of the power of the HMOs and the HMO industry that are daily putting at risk the well-being and the health of American patients all across this country.

Even though there is a bipartisan majority in the House and in the Senate, the Republican leadership is refusing to bring that bill up for a vote. At the same time, they are developing what they are calling balanced budget legislation to try to give allegedly a restoration of some funding to assist some providers because of the cuts that were made at the time of the balanced budget amendment a few years ago, which took a great deal more out of those providers than ever was intended. It is generally agreed that we would restore some of those funds. Who has the priority under the Republicans? The HMOs. They want to give them the money whether they agree to continue to provide the health care or not to our Medicare beneficiaries. They just dropped close to a million of them last year, and they are here with their hands out to get another payoff.

Well, we should ask, why have we gotten this legislation? It is quite clearly because of the credit card companies that have been willing to make those contributions as well. Let the contributions fall where they may, whether they include the Democrats or the Republicans. There is no question the Republican leadership has put us in the position of bringing this proposal up in the final hours of the Congress.

Proponents also argue that the bill provides relief to small businesses which are filing for bankruptcy, but the legislation in many ways makes it more difficult for small businesses to reorganize. The effect is, more and more small businesses will fail and thousands of American workers will lose their jobs. That is the reason the various organizations that represent workers are strongly opposed to it. We heard from one of our colleagues that this is going to make it a great deal easier for small businesses. Why then are organizations that are representing these workers coming out so strongly in opposition? They understand that the provisions of the small business proposal impose more onerous and costly requirements on small businesses than they do on big businesses.

The bill requires that small business debtors comply with a host of new bureaucratic filing requirements and periodic reports. Large businesses are not subject to these requirements. Senior management of small business debtors must attend a variety of meetings at the U.S. trustee's discretion. Senior management of large businesses do not. Under this bill, small business debtors are subject to an extra layer of scrutiny by the U.S. trustee who must assess whether the debtor lacks business viability and should be dismissed out of bankruptcy. Large business debtors are not. Small business debtors are subject to repeated filing restrictions. Large business debtors are not.

I am not suggesting that large businesses should be subject to all of these provisions. I am suggesting, however, that these provisions should be reconsidered.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KENNEDY. Are we under a time constraint?

The PRESIDING OFFICER. Ten minutes.

Mr. KENNEDY. Mr. President, I ask unanimous consent for 3 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I will have more to say about this. I think it is very important to understand that traditionally when we get legislation, we ask who are the beneficiaries and who will pay the price for the legislation. We balance those various factors.

Quite frankly, when we look at this legislation, the people who will bear the hardship for the fact that there is some abuse in the bankruptcy laws—that we could all agree need attention and need to be addressed—are the most vulnerable in our society and are paying an extremely unfair price. That is absolutely wrong. We are going to have a good opportunity to address that in the debate to come.

I thank the Chair and yield the floor.

Mr. SESSIONS. Mr. President, I am compelled to respond to some of the outlandish allegations that have been made against the bipartisan bankruptcy bill that passed this Senate twice with over 90 votes, I believe, both times. It is a bill that has been under discussion for well over 2 years. I personally negotiated not long ago with the White House and Senator REID the last problem we had with the bill. We worked that out to the satisfaction of those who were negotiating it. I thought we were well on the way to finally passing this bill.

What we have in this body is a group of Senators who vote for it but, when the chips are down, don't help us get it up for the final vote.

The suggestion that there has been no opportunity for debate is certainly wrong. We debated it in committee, extensively in the Judiciary Committee, where I am a member. We debated it on the floor two separate years and earlier this year in great detail. We received a whole host of amendments, and we debated those amendments in detail. We voted on those amendments. It has gone to conference. Now we have a bill on the floor, and Senators are complaining that they can't now offer more amendments. You don't amend a conference report after it has been to conference. That is true of every bill that ever goes through this body.

It is shocking to me to hear some of the things that have been said about this bill. What this legislation does is say we have to do something about this incredible increase in the filing of bankruptcies in America. Over a million—it has doubled in 10 or 12 years—is the number of people who have been filing bankruptcy. Why is that so? Because you can go to your bankruptcy lawyer and if you owe $30,000 and you make $30,000 a year, you can file bankruptcy, not pay your debts, not pay one dime that you owe—not a dime—and walk away scot-free by filing under chapter 7. That is happening every day in this country, and it is an absolute abuse. It is wrong.

The family that does its best every day to pay its debts and tries to do right, are they chumps? Are they dumb because they don't run up a bunch of debts and not pay their debts and then go down to the bankruptcy lawyer and just file bankruptcy, even though they could have paid those debts if they tried to do so?

This bill addresses at its fundamental core the bankruptcy machine that is out there being driven by advertising you see on your TVs virtually every night all over America until 11 or 12 o'clock. There are these ads: Got debt problems? Call old Joe, the bankruptcy lawyer. He will take care of you.

Do you know what they tell them when they get there? They say: First of all, Mr. Client, you need to pay me $1,000, $2,000.

I really don't have that, Mr. Lawyer.

Don't pay any more debts. Get all your paychecks. Collect all your paychecks. Bring the money to me. Keep paying on your credit card. Run up your debt, and then we will file bankruptcy for you, and we will wipe out all the debts; you won't have to pay them.

The lawyer gets his money. There are lawyers of whom I am aware personally who get paid $1,000 or more and have done 1,000 or more in 1 year. That is $1 million a year, just routine, running this money through the system, basically ripping off people who need to be paid.

Make no mistake about it, when an individual does not pay what he owes and what he could pay, we all pay. Who pays? The one who is honest and pays his debts. He ultimately gets stuck with higher interest rates. The businesses lose money and can't afford to operate. That is what is happening.

They say: Well, it is health care. If you have severe medical problems and you are not able to pay your debts, you ought not to have to pay your debts.

But why should you be able to not pay the hospital, if you can? That is the question. If you can pay the bill, shouldn't you pay it? That is the question.

The fundamental part of this bill is, if you are making above median income in America, that is adjusted by how many children you have. If you have more children, your income level goes up for median income—the factors included in that. So if you can't pay your debt, you get to wipe out all your debts just like today under chapter 7. If your income is $100,000 a year and you owe $50,000 and you can easily pay at least some of that $50,000, under this law—and you make above median income—you can ask the creditors whom who you are not paying to ask the judge to put you into chapter 13. The judge may say: Mr. Debtor, you owe $50,000. We don't believe you can pay all the debt. You need to pay $10,000 of that back, and you will pay it so much a month over 3 years in chapter 13.

Chapter 13 is not a disaster. It is not a horrible thing. As a matter of fact, in my State, chapter 13 is exceedingly popular. I believe more than half of the bankruptcy filings in Alabama are filed under chapter 13 instead of chapter 7, which just wipes out your debt. With chapter 13, you go to the judge and say: I have more debts than I can pay. The creditors are calling me, and I can't pay all of them at once. The judge says: OK, stop. Pay all of your money to the court, and we will pay it out to each one of these creditors so much a month. You get to have so much to live on for you and your family.

It works pretty well. We need to do more of this. That is what this legislation will do. That is the fundamental principle.

They say: Well, it doesn't do anything about credit card solicitations.

This isn't a credit card bill. This is a debt bill. This is a bankruptcy bill. We have a banking committee that deals with credit card legislation. We had votes on credit card legislation on the floor, and people have had their say. Some passed, and some didn't. This is not a credit card bill. This is a bill to reform a legal system in America, the bankruptcy court system, which is a Federal court system that I believe is in a disastrous condition.

We have had this surge of bankruptcy filings. It has become a common thing to just up and file for bankruptcy. People used to have a severe aversion to ever filing for bankruptcy. Now that is being eroded by the advertisements and so forth that they see. There is an abuse going on.

They say it does not do anything for women and children. I am astounded at that. Under this law, alimony and child support will be moved up to the No. 1 priority in bankruptcy—even above the lawyers. That is probably why we got such an objection. The bankruptcy lawyers are the ones stirring this up, in my view.

That means if a deadbeat dad wants to file bankruptcy and doesn't pay his debt, comes in and has a low or moderate salary and doesn't want to pay anybody, under the old law his child support was way down behind the lawyer fees, bankruptcy fees, and some other things. We moved it up to No. 1. The first money that comes into the bankruptcy pot, if there is any, comes in there. Normally, that money goes to pay child support, which is, I believe, a historic move in favor of children.

This bill has broad support. It was suggested earlier that small business is being hurt by it. Small business favors it. They all favor this.

We are not stampeding this bill. This bill has been delayed unconscionably. It should have passed 2 years ago. It should have passed last year. It ought to pass this year. We have a veto-proof majority in the House and a veto-proof majority in the Senate.

It helps this economy. It helps bring integrity back into the system. It allows individuals to go down there to bankruptcy and represent themselves. They don't even have to have a lawyer. It has a lot of different things in it that are good. It eliminates a lot of loopholes and abuses that everybody agrees need to be fixed.

I can't understand this. It seems to me there is some sort of effort to yell, scream, and just say how horrible it is, and perhaps provide some figleaf to encourage the President to veto this bill. I hope he does not.

They say: Well, it has a protection in there for millionaires to have money in their houses in Florida and Texas and States that have an unlimited homestead exemption.

That is a problem. I have fought to eliminate that. We were not able to do that. The States that have the historic State procedures on this fought us tooth and claw. But this bill makes substantial progress toward eliminating that view. There is no doubt that the problem with homestead is far better in this legislation today than it is under current law if we don't do anything about it. A vote against this bill is a vote to keep the ineffective, bad current law, and not make the improvement this bill makes.

I believe it is good legislation. Senator GRASSLEY has worked on it tenaciously. We have been very cooperative with others who have problems. Time and again, it has been fixed to accommodate concerns that others would have. I believe it is a fair bill. I believe it is a good bill. I believe it is time for this country to improve what is going on in bankruptcy all over America today. And most bankrupts are entitled to it and need it.

But there are substantial numbers with high incomes who could pay large portions of that debt, if they wanted to. But once they talked to those lawyers who tell them they don't have to, they file under chapter 7 and wipe out much of their debts, and they go on leaving someone else to carry the burden.

I thank the Chair for the time. I yield the floor.

Mr. GRASSLEY. Mr. President, I'm glad we're getting around to the bankruptcy bill. I think we've got a good product. This conference report is basically the Senate-passed bankruptcy bill with certain minimal changes made to accommodate the House of Representatives. The means-test retains the essential flexibility that we passed in the Senate. The new consumer protections sponsored by Senator REED of Rhode Island relating to reaffirmations is in this report. The credit card disclosures sponsored by Senator TORRICELLI are also in this final conference report. We also maintained Senator LEAHY's special protections for victims of domestic violence and Senator FEINGOLD's special protections for expenses associated with caring for non-dependent family members.

So, Mr. President, on the consumer bankruptcy side, we maintained the Senate's position.

On the business side of things, we kept Senator KENNEDY's changes to the small business provisions. We have kept the international trade section intact. The financial netting provisions were updated to reflect technical changes suggested by the House. The new netting provisions, however, have universal support.

Finally, Mr. President, I want to make one point crystal clear. Because of objections from the other side of the aisle, we have been delayed in getting this conference report up. Because of this delay and these kind of underhanded tactics, Congress has allowed chapter 12 to just expire. Chapter 12 gives family farmers a real chance to reorganize their affairs. But that's gone now. This bill restores chapter 12. This conference report also expands the eligibility for chapter 12 so more farmers will have access to these special protections. Also, Mr. President, this conference report gives farmers in chapter 12 much-needed capital gains tax relief.

We hear a lot about helping farmers around here. This bill gives us a chance to do a lot of good. We should get on with passing this bill right away and stop playing political games with our farmers.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

BROWNFIELDS REVITALIZATION

Mr. LAUTENBERG. Mr. President, I want to raise an issue that I believe is critical for the Congress to address before we adjourn this year. It is an issue on which environmentalists, the business community, and the labor community strongly agree. It is called the Brownfields Revitalization Act. I say it is called that. I have to explain exactly what we are talking about here.

It is an issue upon which Republicans and Democrats agree. The Brownfields Revitalization Act of 2000 is a bill I introduced with Senator CHAFEE. It now has 67 cosponsors. Two-thirds of the Senate say this is a good piece of legislation and we ought to pass it. That includes, obviously, a majority of both sides of the political aisle—a rare example of overwhelming bipartisan support.

Some accuse us of being a ''do-nothing Congress,'' that we are stuck in partisan disagreement. That can be said. But I can tell you, it cannot be said about this brownfields bill. We ought to pass it here and now as a way to show that we can still move bipartisan legislation in the Senate.

We have strong support. Dozens of environmental organizations, business, labor, and State and local governments support the bill, including the U.S. Conference of Mayors, the Real Estate Round Table, and the National Association of Realtors. It is a mix of people and interests, including the Institute of Scrap Recycling Industries and the Natural Resources Council. The list is a very long one, including various communities throughout the country as well as the organizations I mentioned.

Many don't know what we are talking about when we say brownfields. We will explain it. These are contaminated sites. They are abandoned properties that blight our communities. But also, they lie there waiting to be developed because they offer great promise for the future.

According to the Conference of Mayors, there are over 450,000 brownfield sites in the United States. They are, of course, in every State of the Union. There are brownfields in rural and urban areas and large and small communities. Citizens everywhere would benefit from this bill.

There are economic and environmental benefits from cleaning up brownfields. That is why the business community and labor so strongly support the bipartisan brownfields bill.

The Conference of Mayors has estimated that redeveloping these sites would create almost 600,000 jobs, would increase tax revenues, by their estimate, from somewhere between $900 million to $2.4 billion. What a benefit that would be to communities.

In a city in my State, Elizabeth, NJ, a town I lived in when I was growing up, we turned an abandoned site, that lay fallow for years, into an enormous shopping mall, with more than a million square feet of retail space and 5,000 permanent jobs. Elizabeth is one of the oldest industrial cities in the State of New Jersey. It is actively trying to build for the future. They are looking at hotels and a convention center thanks to brownfield revitalization. The successes in Elizabeth established proof that brownfields create jobs, hope, and opportunity for communities.

In Trenton, NJ, we have a very famous company that builds steel for bridges and structures all across this country, formally called Roebling & Sons. We have a picture of what happened to this site as it sat for years. I know my State so well; I remember the dump site. It was almost a lagoon of toxins. It was broken down. Anyone could see in the picture the terrible deteriorating condition.

Then we have a brownfield restoration program and this is what happened: It became a full-service supermarket, the first market in the city in many years. This is our capital city, with an office building and senior housing. It is almost a miraculous rebirth.

There is a risk in letting these brownfield sites sit there. The risks are substantial. They pose threats to human health and the environment, they create blighted downtown areas often leading to crime and loss of jobs. It forces development of farmland and open spaces. It causes sprawl. The result is increased driving time for those who have cars living in these cities,