

Executive Calendar that these nominations lie at the Secretary's desk for the information of Senators.

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

Air Force nominations beginning David C. Abruzzi and ending Michael J. Zuber, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 25, 2000.

Army nomination beginning Manester Y. Bruno and ending Manester Y. Bruno, which nomination was received by the Senate and appeared in the CONGRESSIONAL RECORD on April 25, 2000.

Navy nomination beginning Richard L. Page and ending Richard L. Page, which nomination was received by the Senate and appeared in the CONGRESSIONAL RECORD on April 11, 2000.

Navy nomination beginning Thomas B. Lee and ending Thomas B. Lee, which nomination was received by the Senate and appeared in the CONGRESSIONAL RECORD on April 25, 2000.

Navy nominations beginning Charles A. Armin and ending Mark D. Pyle, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 25, 2000.

Marine Corps nominations beginning Debra A. Anderson and ending Scott C. Whitney, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 25, 2000.

By Mr. ROTH for the Committee on Finance.

Michelle Andrews Smith, of Texas, to be an Assistant Secretary of the Treasury.

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

#### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. DOMENICI:

S. 2573. A bill to coordinate and facilitate the development by the Department of Defense of directed energy technologies, systems, and weapons, and for other purposes; to the Committee on Armed Services.

By Mr. TORRICELLI:

S. 2574. A bill to provide for principles on workers' rights for United States companies doing business in the People's Republic of China and Tibet; to the Committee on Foreign Relations.

By Mr. HELMS:

S. 2575. A bill to suspend temporarily the duty on mixtures of Bromoxynil Octanoate and Heptanoate; to the Committee on Finance.

By Mr. HELMS:

S. 2576. A bill to suspend temporarily the duty on Bromoxynil Octanoate technical; to the Committee on Finance.

By Mr. HELMS:

S. 2577. A bill to reduce temporarily the duty on Fipronil technical; to the Committee on Finance.

By Mr. HELMS:

S. 2578. A bill to suspend temporarily the duty on Isoxaflutole; to the Committee on Finance.

By Mr. HELMS:

S. 2579. A bill to suspend temporarily the duty on Cyclanilide technical; to the Committee on Finance.

By Mr. JOHNSON (for himself, Mr. BINGAMAN, Mr. DASCHLE, and Mr. INOUE):

S. 2580. A bill to provide for the issuance of bonds to provide funding for the construction of schools of the Bureau of Indian Affairs of the Department of the Interior, and for other purposes; to the Committee on Indian Affairs.

By Mr. SESSIONS (for himself, Mr. HOLLINGS, Mr. LOTT, Mr. SHELBY, Mr. COCHRAN, Mr. CLELAND, Mr. COVERDELL, Mr. THURMOND, Mr. HELMS, Mr. EDWARDS, Mr. INHOPE, and Mrs. HUTCHISON):

S. 2581. A bill to provide for the preservation and restoration of historic buildings at historically women's public colleges or universities; to the Committee on Energy and Natural Resources.

By Mr. LIEBERMAN (for himself, Mr. LEVIN, Mr. DASCHLE, Mr. MCCAIN, Mr. JEFFORDS, Mr. FEINGOLD, Mr. DURBIN, Mr. CLELAND, Mr. KERRY, Mr. TORRICELLI, Mr. KENNEDY, Mr. AKAKA, and Mr. BRYAN):

S. 2582. A bill to amend section 527 of the Internal Revenue Code of 1986 to better define the term political organization; to the Committee on Finance.

By Mr. LIEBERMAN (for himself, Mr. LEVIN, Mr. DASCHLE, Mr. MCCAIN, Mr. JEFFORDS, Mr. FEINGOLD, Mr. DURBIN, Mr. CLELAND, Mr. KERRY, Mr. TORRICELLI, Mr. KENNEDY, Mr. AKAKA, and Mr. BRYAN):

S. 2583. A bill to amend the Internal Revenue Code of 1986 to increase disclosure for certain political organizations exempt from tax under section 527; to the Committee on Finance.

By Mr. ROBB (for himself and Mr. WARNER):

S. 2584. A bill to provide for the allocation of interest accruing to the Abandoned Mine Reclamation Fund, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. GRAHAM (for himself, Mr. JEFFORDS, Mr. GRASSLEY, and Mr. ROCKEFELLER):

S. 2585. A bill to amend titles IV and XX of the Social Security Act to restore funding for the Social Services Block Grant, to restore the ability of the States to transfer up to 10 percent of TANF funds to carry out activities under such block grant, and to require an annual report on such activities by the Secretary of Health and Human Services; to the Committee on Finance.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI:

S. 2573. A bill to coordinate and facilitate the development by the Department of Defense of directed energy technologies, systems, and weapons, and for other purposes; to the Committee on Armed Services.

#### DIRECTED ENERGY COORDINATION AND CONSOLIDATION ACT OF 2000

• Mr. DOMENICI. Mr. President, I rise today to offer the Directed Energy Coordination and Consolidation Act of 2000. While enactment of the provisions in this bill will greatly enhance and accelerate some of the research, development, test and evaluation activities in my home state of New Mexico, I firmly believe taking this action is also in our national interest.

Last year's Defense Authorization Act required the Defense Department

to convene the High Energy Laser Executive Review Panel (HELLERP). This Panel was to make recommendations on a management structure for all defense high energy laser weapons programs. The authorization language also instructed the Panel to address issues in science and technology funding, the industrial base for these technologies, and possible cooperation with other agencies.

Mr. President, let me briefly outline some conclusions and recommendations made by the Panel. The findings include the following:

Laser systems are ready for some of today's most challenging weapons applications, both offensive and defensive; laser weapons would offer the U.S. an asymmetric technological edge over adversaries for the foreseeable future; funding for laser Science and Technology programs should be increased to support acquisition programs and develop new technologies for future applications; the laser industrial supplier base is fragile in several critical laser technologies and lacks an adequate incentive to make investments required to support current and anticipated defense needs; DoD should leverage relevant research being supported by the Department of Energy and other agencies, as well as the private sector and academia; and, lastly, as in other critical high tech areas, it is increasingly difficult to attract and retain people with the skills necessary for directed energy technology development.

In sum, the Panel found that these technologies have matured sufficiently to offer solutions to some of the most daunting defense challenges the U.S. currently confronts. However, other findings indicated that science and technology funding is inadequate to realize these aims, the industrial base is steadily eroding, and this field cannot recruit and retain adequate talent to remain viable. We have the means, but we're not making the investments required to achieve our goals.

As requested by Congress last year, the High Energy Laser Master Plan approved by the Defense Department in March of this year proposes a different management structure. The Services all approved of this defense-wide management structure for making decisions regarding the specific technologies to pursue for specific defense applications and resource allocation.

Mr. President, this legislation echoes the findings of the High Energy Laser Executive Review Panel and codifies the proposed management structure outlined by the Panel. Furthermore, in accordance with the Panel's findings, the bill authorizes \$150 million in defense-wide research and development funding for directed energy technologies. Up to \$50 million of those funds can be utilized to leverage the directed energy expertise and technologies developed within our DOE laboratories. Lastly, this legislation requires that microwave technology investment decisions also be coordinated within this management structure.

The bill would relocate the Joint Technology Office (JTO) proposed in the Master Plan from the Pentagon to Albuquerque, New Mexico, by January 1, 2001. This Office is currently being established at the Pentagon. However, the Pentagon is not a focal point for technology developments in directed energy. Albuquerque offers a sensible location for the JTO.

Support for Albuquerque as a location is offered by the findings of the 912c Tri-Service Armament Panel Report. This Panel Report was an outgrowth of the July 1999 DoD "Plan to Streamline DoD's Science and Technology, Engineering, and Test and Evaluation Infrastructure." This Army, Navy and Air Force Senior Steering Group proposed that all DoD Directed Energy Science and Technology and Test and Evaluation be consolidated at Kirtland Air Force Base. The Steering Group recommended creation of a DoD Directed Energy Center of Excellence at Kirtland that would be responsible for identifying, advocating, developing, and transitioning directed energy technology to meet all DoD requirements.

Now that the High Energy Laser Master Plan has proposed an appropriate management structure, the time is right to take action. New Mexico is already a focal point for a lot of the research, development, test and evaluation activities in this field. Kirtland boasts tremendous assets to facilitate this research. White Sands is the premiere directed energy testing range. Co-locating the Joint Technology Office among a critical mass of directed energy activities—both Army and Air Force—is not only sensible, it should also serve to facilitate this work.

No doubt that the activities of the Air Force's Directed Energy Directorate at Kirtland will be enhanced by this legislation. However, each of the Services will be required to compete within this management structure.

Let me be clear. Implementation of this management structure, regardless of the location of the Joint Technology Office will have no impact on the existing laser programs, such as the Tactical High Energy Laser (THEL), Airborne Laser (ABL) or Space-based Laser (SBL). The objective is to grow all directed energy programs desired by any one of the Services, depending on specific applications pursued.

Any new programs will be competed—with one exception. The legislation includes a \$20 million allocation for the Advanced Tactical Laser program under the Joint Non-Lethal Weapons Program Office in order to take a first initial step in addressing some of the industrial base concerns.

American dominance relies heavily on our technological superiority. Unlike other instances where the Department of Defense is using outsourcing or privatization to reduce costs, the attrition within the research community will require significant renewed investments over a long period of time to re-

build in the future. We are steadily approaching this situation in the field of directed energy. The lack of emphasis on and investment in revolutionary technologies, such as directed energy, unnecessarily limits the myriad possibilities for effective, surgical defense against a range of missile threats and vast potential for numerous defense applications.

Mr. President, in order to better leverage the federal Government's investment, ensure adequate stability in the industrial base, and promote educational opportunities in directed energy technologies, the Directed Energy Coordination and Consolidation Act of 2000 will take a critical first step. I ask my colleagues to join me in ensuring that we rigorously pursue directed energy solutions to our nation's defense needs.

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

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

S. 2573

*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 "Directed Energy Coordination and Consolidation Act of 2000".

**SEC. 2. COORDINATION AND FACILITATION OF DEVELOPMENT OF DIRECTED ENERGY TECHNOLOGIES, SYSTEMS, AND WEAPONS.**

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

(1) Directed energy systems are available to address many current challenges with respect to military weapons, including offensive weapons and defensive weapons.

(2) Directed energy weapons offer the potential to maintain an asymmetrical technological edge over adversaries of the United States for the foreseeable future.

(3) It is in the national interest that funding for directed energy science and technology programs be increased in order to support priority acquisition programs and to develop new technologies for future applications.

(4) It is in the national interest that the level of funding for directed energy science and technology programs correspond to the level of funding for such large-scale demonstration programs in order to ensure the growth of directed energy science and technology programs and to ensure the successful development of other weapons systems utilizing directed energy systems.

(5) The industrial base for several critical directed energy technologies is in fragile condition and lacks appropriate incentives to make the large-scale investments that are necessary to address current and anticipated Department of Defense requirements for such technologies.

(6) It is in the national interest that the Department of Defense utilize and expand upon directed energy research currently being conducted by the Department of Energy, other Federal agencies, the private sector, and academia.

(7) It is increasingly difficult for the Federal Government to recruit and retain personnel with skills critical to directed energy technology development.

(8) The implementation of the recommendations contained in the High Energy

Laser Master Plan of the Department of Defense will address these critical issues and is in the national interest.

(9) Implementation of the management structure outlined in the Master Plan will facilitate the development of revolutionary capabilities in directed energy weapons by achieving a coordinated and focused investment strategy under a new management structure featuring a joint technology office with senior-level oversight provided by a technology council and a board of directors.

(b) COORDINATION AND OVERSIGHT UNDER HIGH ENERGY LASER MASTER PLAN.—(1) Subchapter II of Chapter 8 of title 10, United States Code, is amended by adding at the end the following new section:

**"§ 204. Joint Technology Office**

"(a) ESTABLISHMENT.—(1) There is in the Department of Defense a Joint Technology Office (in this section referred to as the 'Office').

"(2) The Office shall be part of the National Directed Energy Center at Kirtland Air Force Base, New Mexico.

"(3) The Office shall be under the authority, direction, and control of the Deputy Under Secretary of Defense for Science and Technology.

"(b) STAFF.—(1) The head of the Office shall be a civilian employee of the Department of Defense in the Senior Executive Service who is designated by the Secretary of Defense for that purpose. The head of the Office shall be known as the 'Director of the Joint Technology Office'.

"(2) The Secretary of Defense shall provide the Office such civilian and military personnel and other resources as are necessary to permit the Office to carry out its duties under this section.

"(c) DUTIES.—The duties of the Office shall be to—

"(1) develop and oversee the management of a Department of Defense-wide program of science and technology relating to directed energy technologies, systems, and weapons;

"(2) serve as a point of coordination for initiatives for science and technology relating to directed energy technologies, systems, and weapons from throughout the Department of Defense;

"(3) develop and manage a program (to be known as the 'National Directed Energy Technology Alliance') to foster the exchange of information and cooperative activities on directed energy technologies, systems, and weapons between and among the Department of Defense, other Federal agencies, institutions of higher education, and the private sector; and

"(4) carry out such other activities relating to directed energy technologies, systems, and weapons as the Deputy Under Secretary of Defense for Science and Technology considers appropriate.

"(d) COORDINATION WITHIN DEPARTMENT OF DEFENSE.—(1) The Director of the Office shall assign to appropriate personnel of the Office the performance of liaison functions with the other Defense Agencies and with the military departments.

"(2) The head of each military department and Defense Agency having an interest in the activities of the Office shall assign personnel of such department or Defense Agency to assist the Office in carrying out its duties. In providing such assistance, such personnel shall be known collectively as 'Technology Area Working Groups'.

"(e) TECHNOLOGY COUNCIL.—(1) There is established in the Department of Defense a council to be known as the 'Technology Council' (in this section referred to as the 'Council').

"(2) The Council shall be composed of 7 members as follows:

“(A) The Deputy Under Secretary of Defense for Science and Technology, who shall be chairperson of the Council.

“(B) The senior science and technology executive of the Department of the Army.

“(C) The senior science and technology executive of the Department of the Navy.

“(D) The senior science and technology executive of the Department of the Air Force.

“(E) The senior science and technology executive of the Defense Advanced Research Projects Agency.

“(F) The senior science and technology executive of the Ballistic Missile Defense Organization.

“(G) The senior science and technology executive of the Defense Threat Reduction Agency.

“(3) The duties of the Council shall be—

“(A) to review and recommend priorities among programs, projects, and activities proposed and evaluated by the Office under this section;

“(B) to make recommendations to the Board regarding funding for such programs, projects, and activities; and

“(C) to otherwise review and oversee the activities of the Office under this section.

“(f) TECHNOLOGY BOARD OF DIRECTORS.—(1) There is established in the Department of Defense a board to be known as the ‘Technology Board of Directors’ (in this section referred to as the ‘Board’).

“(2) The Board shall be composed of 8 members as follows:

“(A) The Under Secretary of Defense for Acquisition and Technology, who shall serve as chairperson of the Board.

“(B) The Director of Defense Research and Engineering, who shall serve as vice-chairperson of the Board.

“(C) The senior acquisition executive of the Department of the Army.

“(D) The senior acquisition executive of the Department of the Navy.

“(E) The senior acquisition executive of the Department of the Air Force.

“(F) The Director of the Defense Advanced Research Projects Agency.

“(G) The Director of the Ballistic Missile Defense Organization.

“(H) The Director of the Defense Threat Reduction Agency.

“(3) The duties of the Board shall be—

“(A) to review and make funding recommendations regarding the programs, projects, and activities proposed and evaluated by the Office under this section; and

“(B) to otherwise review and oversee the activities of the Office under this section.”.

(2) The table of sections at the beginning of subchapter II of chapter 8 of such title is amended by adding at the end the following new section:

“204. Joint Technology Office.”.

(3) The Secretary of Defense shall locate the Joint Technology Office under section 204 of title 10, United States Code (as added by this subsection), at the National Directed Energy Center at Kirtland Air Force Base, New Mexico, not later than January 1, 2001.

(c) TECHNOLOGY AREA WORKING GROUPS UNDER HIGH ENERGY LASER MASTER PLAN.—(1) The Secretary of Defense shall provide for the implementation of the portion of the High Energy Laser Master Plan relating to technology area working groups.

(2) In carrying out activities under this subsection, the Secretary of Defense shall re-

quire the Secretary of the military department concerned to provide within such department, with such department acting as lead agent, technology area working groups as follows:

(A) Within the Department of the Army—(i) a technology area working group on solid state lasers; and

(ii) a technology area working group on advanced technology.

(B) Within the Department of the Navy, a technology area working group on free electron lasers.

(C) Within the Department of the Air Force—

(i) a technology area working group on chemical lasers;

(ii) a technology areas working group on beam control;

(iii) a technology area working group on lethality/vulnerability; and

(iv) a technology area working group on high power microwaves.

(d) ENHANCEMENT OF INDUSTRIAL BASE.—(1) The Secretary of Defense shall develop and undertake initiatives, including investment initiatives, for purposes of enhancing the industrial base for directed energy technologies and systems.

(2) Initiatives under paragraph (1) shall be designed to—

(A) stimulate the development by institutions of higher education and the private sector of promising directed energy technologies and systems; and

(B) stimulate the development of a workforce skilled in such technologies and systems.

(3) Of the amounts authorized to be appropriated by subsection (h), \$20,000,000 shall be available for the initiation of development of the Advanced Tactical Laser (L) under the direction of the Joint Non-Lethal Weapons Directorate.

(e) ENHANCEMENT OF TEST AND EVALUATION CAPABILITIES.—(1) The Secretary of Defense shall evaluate and implement proposals for modernizing the High Energy Laser Test Facility at White Sands Missile Range, New Mexico, in order to enhance the test and evaluation capabilities of the Department of Defense with respect to directed energy weapons.

(2) Of the amounts authorized to be appropriated or otherwise made available to the Department of Defense for each of fiscal years 2001 and 2002, not more than \$2,000,000 shall be made available in each such fiscal year for purposes of the deployment and test at the High Energy Laser Test Facility at White Sands Missile Range of free electron laser technologies under development at Los Alamos National Laboratory, New Mexico.

(f) COOPERATIVE PROGRAMS AND ACTIVITIES.—(1) The Secretary of Defense shall evaluate the feasibility and advisability of entering into cooperative programs or activities with other Federal agencies, institutions of higher education, and the private sector, including the national laboratories of the Department of Energy, for the purpose of enhancing the programs, projects, and activities of the Department of Defense relating to directed energy technologies, systems, and weapons.

(2) The Secretary shall enter into any cooperative program or activity determined under the evaluation under paragraph (1) to be feasible and advisable for the purpose set forth in that paragraph.

(3) Of the amounts authorized to be appropriated by subsection (h), \$50,000,000 shall be available for cooperative programs and activities entered into under paragraph (2).

(g) PARTICIPATION OF JOINT TECHNOLOGY COUNCIL IN ACTIVITIES.—The Secretary of Defense shall, to the maximum extent practicable, carry out activities under subsections (c), (d), (e), and (f), through the Joint Technology Council established pursuant to section 204 of title 10, United States Code (as added by subsection (b) of this section).

(h) FUNDING FOR FISCAL YEAR 2001.—(1)(A) There is hereby authorized to be appropriated for the Department of Defense for fiscal year 2001, \$150,000,000 for science and technology activities relating to directed energy technologies, systems, and weapons.

(B) Amounts authorized to be appropriated for fiscal year 2001 by subparagraph (A) are in addition to any other amounts authorized to be appropriated for such fiscal year for the activities referred to in that subparagraph.

(2) The Director of the Joint Technology Office established pursuant to section 204 of title 10, United States Code, shall allocate amounts appropriated pursuant to the authorization of appropriations in paragraph (1) among appropriate program elements of the Department of Defense in accordance with such procedures as the Director shall establish.

(3) In establishing procedures for purposes of the allocation of funds under paragraph (2), the Director shall provide for the competitive selection of programs, projects, and activities to be the recipients of such funds.

(i) DIRECTED ENERGY DEFINED.—In this section, the term “directed energy”, with respect to technologies, systems, or weapons means technologies, systems, or weapons that provide for the directed transmission of energies across the energy and frequency spectrum, including high energy lasers and high power microwaves.●

By Mr. HELMS:

S. 2575. A bill to suspend temporarily the duty on mixtures of Bromoxynil Octanoate and Heptanoate; to the Committee on Finance.

S. 2576. A bill to suspend temporarily the duty on Bromoxynil Octanoate technical; to the Committee on Finance.

S. 2577. A bill to reduce temporarily the duty on Fipronil technical; to the Committee on Finance.

S. 2578. A bill to suspend temporarily the duty on Isoxaflutole; to the Committee on Finance.

S. 2579. A bill to suspend temporarily the duty on Cyclanilide technical; to the Committee on Finance.

LEGISLATION TO SUSPEND TEMPORARILY THE DUTY ON CERTAIN CHEMICALS

● Mr. HELMS. Mr. President, I ask unanimous consent that the text of five bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 2575

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

#### SECTION 1. TEMPORARY SUSPENSION OF DUTY.

(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:

9902.38.01	Mixtures of 3,5-dibromo-4-hydroxybenzoxonitril ester and inerts (CAS No. 1689-84-5) (provided for in subheading 3808.30.15) .....	Free .....	No change .....	No change .....	On or before 12/31/2003.	”.
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(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.

S. 2576

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

SECTION 1. TEMPORARY SUSPENSION OF DUTY.

(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:

9902.29.01	3,5-dibromo-4-hydroxybenzoxonitril (CAS No. 1689-99-2) (provided for in subheading 2926.90.25) .....	Free .....	No change .....	No change .....	On or before 12/31/2003.	”.
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(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.

S. 2577

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

SECTION 1. REDUCTION OF DUTY ON FIPRONIL TECHNICAL.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by striking heading 9902.29.47 and inserting the following new heading:

9902.29.47	5-amino-1-(2,6-dichloro-4-(trifluoromethyl)phenyl)-4-((1,r,s)-trifluoromethyl)sulfinyl)-1-h-pyrazole-3-carbonitrile: fipronil 90mp. (CAS No. 120068-37-3) (provided for in subheading 2933.19.23) .....	5% .....	No change .....	No change .....	On or before 12/31/2003.	”.
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(b) EFFECTIVE DATE.—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 the enactment of this Act.

S. 2578

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

SECTION 1. SUSPENSION OF DUTY ON ISOXAFLUTOLE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by striking heading 9902.29.70 and inserting the following new heading:

9902.29.70	4-(2-methanesulphonyl-4-trifluoromethylbenzoyl)-5-cyclopropyl isoxazole (CAS No. 141112-29-0) (provided for in subheading 2934.90.15) .....	Free .....	No change .....	No change .....	On or before 12/31/2003.	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

S. 2579

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

SECTION 1. SUSPENSION OF DUTY ON CYCLANILIDE TECHNICAL.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by striking heading 9902.29.64 and inserting in numerical sequence the following new heading:

9902.29.64	1-(2,4-dichlorophenylaminocarbonyl)-cyclopropanecarboxylic acid. (CAS No. 113136-77-9) (provided for in subheading 2924.29.47) .....	Free .....	No change .....	No change .....	On or before 12/31/2003.	”.
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(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

S. 2580. A bill to provide for the issuance of bonds to provide funding for the construction of schools of the Bureau of Indian Affairs of the Department of the Interior, and for other purposes; to the Committee on Indian Affairs.

INDIAN SCHOOL CONSTRUCTION ACT

Mr. JOHNSON. Mr. President, I, along with Senators BINGAMAN, DASCHLE, and INOUE, am introducing legislation to establish an innovative funding mechanism to enhance the ability of Indian tribes to construct, repair, and maintain quality educational facilities. Representatives

By Mr. JOHNSON (for himself, Mr. BINGAMAN, Mr. DASCHLE, and Mr. INOUE):

from tribal schools in my State of South Dakota have been working with tribes nationwide to develop an initiative which I believe will be a positive first step toward addressing the serious crisis we are facing in Indian education.

Mr. President, over 50 percent of the American Indian population in this country is age 24 or younger. Consequently, the need for improved educational programs and facilities, and for training the American Indian workforce is pressing. American Indians have been, and continue to be, disproportionately affected by both poverty and low educational achievement. The high school completion rate for Indian people aged 20 to 24 was 12.5 percent below the national average. American Indian students, on average, have scored far lower on the National Assessment for Education Progress indicators than all other students.

By ignoring the most fundamental aspect of education; that is, safe, quality educational facilities, there is little hope of breaking the cycle of low educational achievement, and the unemployment and poverty that result from neglected academic potential.

The Indian School Construction Act establishes a bonding authority to use existing tribal education funds for bonds in the municipal finance market which currently serves local governments across the Nation. Instead of funding construction projects directly, these existing funds will be leveraged through bonds to fund substantially more tribal school, construction, maintenance and repair projects.

The Bureau of Indian Affairs estimates the tribal school construction and repair backlog at over \$1 billion. Confounding this backlog, inflation and facility deterioration severely increases this amount. The administration's school construction request for fiscal year 2001 was over \$62 million. In this budgetary climate, I believe every avenue for efficiently stretching the Federal dollar should be explored.

Tribal schools in my State and around the country address the unique learning needs and styles of Indian students, with sensitivity to Native cultures, ultimately promoting higher academic achievement. There are strong historical and moral reasons for continued support of tribal schools. In keeping with our special trust responsibility to sovereign Indian nations, we need to promote the self-determination and self-sufficiency of Indian communities. Education is absolutely vital to this effort. Allowing the continued deterioration and decay of tribal schools through lack of funding would violate the Government's commitment and responsibility to Indian nations and only slow the progress of self-sufficiency.

Mr. President, I urge my colleagues to closely examine the Indian School Construction Act and join me in working to make this innovative funding mechanism a reality. I ask unanimous consent that the text of the legislation be added at the end of my remarks.

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

S. 2580

*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 "Indian School Construction Act".

**SEC. 2. DEFINITIONS.**

In this Act:

(1) **BUREAU.**—The term "Bureau" means the Bureau of Indian Affairs of the Department of the Interior.

(2) **INDIAN.**—The term "Indian" means any individual who is a member of a tribe.

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

(4) **TRIBAL SCHOOL.**—The term "tribal school" means an elementary school, secondary school, or dormitory that is operated by a tribal organization for the education of Indian children and that receives financial assistance for its operation under a contract, grant, or agreement with the Bureau under section 102, 103(a), or 208 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f, 450h(a), and 458d).

(5) **TRIBE.**—The term "tribe" means any Indian tribe, band, nation, or other organized group or community, including a Native village, Regional Corporation, or Village Corporation (as defined in or established pursuant to the Alaska Native Claims Settlement Act), that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

**SEC. 3. ISSUANCE OF BONDS.**

(a) **IN GENERAL.**—The Secretary shall establish a pilot program under which eligible tribes have the authority to issue tribal school modernization bonds to provide funding for the improvement, repair, and new construction of tribal schools.

(b) **ELIGIBILITY.**—

(1) **IN GENERAL.**—To be eligible to issue bonds under the program under subsection (a), a tribe shall prepare and submit to the Secretary a plan of construction that meets the requirements of paragraph (2).

(2) **PLAN OF CONSTRUCTION.**—A plan of construction meets the requirements of this paragraph if such plan—

(A) contains a description of the improvements, repairs, or new construction to be undertaken with funding provided under the bond;

(B) demonstrates that a comprehensive survey has been undertaken concerning the construction or renovation needs of the tribal school involved;

(C) contains assurances that funding under the bond will be used only for the activities described in the plan; and

(D) contains any other reasonable and related information determined appropriate by the Secretary.

(3) **PRIORITY.**—In determining whether a tribe is eligible to participate in the program under this section, the Secretary shall give priority to tribes that, as demonstrated by the relevant plans of construction, will fund projects described in the Replacement School Construction priority list of the Bureau of Indian Affairs, as maintained under the Indian Self-Determination and Education Assistance Act.

(4) **APPROVAL.**—Except as provided in paragraph (3), the Secretary shall approve the issuance of qualified tribal school modernization bonds by tribes with approved plans of construction on the basis of the order in which such plans were received by the Secretary. Such approval shall not be unreasonably withheld.

(c) **PERMISSIBLE ACTIVITIES.**—In addition to the use of funds permitted under subsection (a), a tribe may use amounts received through the issuance of a bond to—

(1) enter into contracts with architects, engineers, and construction firms in order to determine the needs of the tribal school and for the design and engineering of the school;

(2) enter into contracts with financial advisors, underwriters, attorneys, trustees, and other professionals who would be able to provide assistance to the tribe in issuing bonds; and

(3) carry out other activities determined appropriate by the Secretary.

(d) **BOND TRUSTEE.**—

(1) **IN GENERAL.**—Notwithstanding any other provision of law, any tribal school construction bond issued by a tribe under this section shall be subject to a trust agreement between the tribe and a trustee.

(2) **TRUSTEE.**—Any bank or trust company that meets requirements established by the Secretary by regulation may be designated as a trustee under paragraph (1).

(3) **CONTENT OF TRUST AGREEMENT.**—A trust agreement entered into by a tribe under this subsection shall specify that the trustee, with respect to bonds issued under this section shall—

(A) act as a repository for the proceeds of the bond;

(B) make payments to bondholders;

(C) from any amounts in excess of the amounts necessary to make payments to bondholders, in accordance with the requirements of paragraph (4), make direct payments to contractors with the governing body of the tribe for facility improvement, repair, or new construction pursuant to this section; and

(D) invest in the tribal school modernization escrow account established under subsection (f)(2) such amounts of the proceeds as the trustee determines not to be necessary to make payments under subparagraphs (B) and (C).

(4) **REQUIREMENTS FOR MAKING DIRECT PAYMENTS.**—

(A) **IN GENERAL.**—Notwithstanding any other provision of law, only the trustee shall make the direct payments referred to in paragraph (3)(C) in accordance with requirements that the tribe shall prescribe in the agreement entered into under paragraph (3). The tribe shall require the trustee, prior to making a payment to a contractor under paragraph (3)(C), to inspect the project that is the subject of the contract, or provide for an inspection of that project by a local financial institution, to ensure the completion of the project.

(B) **CONTRACTS.**—Each contract referred to in paragraph (3)(C) shall specify, or be renegotiated to specify, that payments under the contract shall be made in accordance with this subsection.

(e) **PAYMENTS OF PRINCIPAL AND INTEREST.**—

(1) **PRINCIPAL.**—Qualified tribal school modernization bonds shall be issued under this section as interest only for a period of 15 years from the date of issuance. Upon the expiration of such 15-year period, the entire outstanding principal under the bond shall become due and payable.

(2) **INTEREST.**—Interest on a qualified tribal school modernization bond shall be in the form of a tax credit under section 1400F of the Internal Revenue Code of 1986.

(f) **BOND GUARANTEES.**—

(1) **IN GENERAL.**—Payment of the principal portion of a qualified tribal school modernization bond issued under this section shall be guaranteed by amounts deposited in the tribal school modernization escrow account established under paragraph (2).

(2) **ESTABLISHMENT OF ACCOUNT.**—

(A) IN GENERAL.—Notwithstanding any other provision of law, subject to the availability of amounts made available under an appropriations Act, beginning in fiscal year 2001, the Secretary may deposit not more than \$30,000,000 of unobligated funds into a tribal school modernization escrow account.

(B) PAYMENTS.—The Secretary shall use any amounts deposited in the escrow account under subparagraph (A) and subsection (d)(3)(D) to make payments to holders of qualified tribal school modernization bonds issued under this section.

(g) LIMITATIONS.—

(1) OBLIGATION OF TRIBES.—Notwithstanding any other provision of law, a tribe that issues a qualified tribal school modernization bond under this section shall not be obligated to repay the principal on the bond.

(2) LAND AND FACILITIES.—Any land or facilities purchased or improved with amounts derived from qualified tribal school modernization bonds issued under this section shall not be mortgaged or used as collateral for such bonds.

**SEC. 4. EXPANSION OF INCENTIVES FOR TRIBAL SCHOOLS.**

Chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subchapter:

**“Subchapter X—Tribal School Modernization Provisions**

“Sec. 1400F. Credit to holders of qualified tribal school modernization bonds.

**“SEC. 1400F. CREDIT TO HOLDERS OF QUALIFIED TRIBAL SCHOOL MODERNIZATION BONDS.**

“(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a qualified tribal school modernization bond on a credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to credit allowance dates during such year on which the taxpayer holds such bond.

“(b) AMOUNT OF CREDIT.—

“(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a qualified tribal school modernization bond is 25 percent of the annual credit determined with respect to such bond.

“(2) ANNUAL CREDIT.—The annual credit determined with respect to any qualified tribal school modernization bond is the product of—

“(A) the applicable credit rate, multiplied by

“(B) the outstanding face amount of the bond.

“(3) APPLICABLE CREDIT RATE.—For purposes of paragraph (1), the applicable credit rate with respect to an issue is the rate equal to an average market yield (as of the day before the date of issuance of the issue) on outstanding long-term corporate debt obligations (determined under regulations prescribed by the Secretary).

“(4) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed.

“(c) LIMITATION BASED ON AMOUNT OF TAX.—

“(1) IN GENERAL.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

“(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

“(B) the sum of the credits allowable under part IV of subchapter A (other than subpart C thereof, relating to refundable credits).

“(2) CARRYOVER OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

“(d) QUALIFIED TRIBAL SCHOOL MODERNIZATION BOND; OTHER DEFINITIONS.—For purposes of this section—

“(1) QUALIFIED TRIBAL SCHOOL MODERNIZATION BOND.—

“(A) IN GENERAL.—The term ‘qualified school modernization bond’ means, subject to subparagraph (B), any bond issued as part of an issue under section 3 of the Indian School Construction Act if—

“(i) 95 percent or more of the proceeds of such issue are to be used for the construction, rehabilitation, or repair of a tribal school facility or for the acquisition of land on which such a facility is to be constructed with part of the proceeds of such issue,

“(ii) the bond is issued by an Indian tribe,

“(iii) the issuer designates such bond for purposes of this section, and

“(iv) the term of each bond which is part of such issue does not exceed 15 years.

“(B) NATIONAL LIMITATION ON AMOUNT OF BONDS DESIGNATED.—There is a national qualified tribal school modernization bond limitation for each calendar year. Such limitation is—

“(i) \$200,000,000 for 2001,

“(ii) \$200,000,000 for 2002, and

“(iii) zero after 2002.

“(2) CREDIT ALLOWANCE DATE.—The term ‘credit allowance date’ means—

“(A) March 15,

“(B) June 15,

“(C) September 15, and

“(D) December 15.

Such term includes the last day on which the bond is outstanding.

“(3) BOND.—The term ‘bond’ includes any obligation.

“(4) TRIBE.—The term ‘tribe’ has the meaning given such term by section 2 of the Indian School Construction Act.

“(e) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

“(f) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any qualified tribal school modernization bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

“(g) CREDITS MAY BE STRIPPED.—Under regulations prescribed by the Secretary—

“(1) IN GENERAL.—There may be a separation (including at issuance) of the ownership of a qualified tribal school modernization bond and the entitlement to the credit under this section with respect to such bond. In case of any such separation, the credit under this section shall be allowed to the person who on the credit allowance date holds the instrument evidencing the entitlement to the credit and not to the holder of the bond.

“(2) CERTAIN RULES TO APPLY.—In the case of a separation described in paragraph (1), the rules of section 1286 shall apply to the qualified tribal school modernization bond as if it were a stripped bond and to the credit

under this section as if it were a stripped coupon.

“(h) TREATMENT FOR ESTIMATED TAX PURPOSES.—Solely for purposes of sections 6654 and 6655, the credit allowed by this section to a taxpayer by reason of holding a qualified tribal school modernization bonds on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.

“(i) CREDIT MAY BE TRANSFERRED.—Nothing in any law or rule of law shall be construed to limit the transferability of the credit allowed by this section through sale and repurchase agreements.

“(j) CREDIT TREATED AS ALLOWED UNDER PART IV OF SUBCHAPTER A.—For purposes of subtitle F, the credit allowed by this section shall be treated as a credit allowable under part IV of subchapter A of this chapter.

“(k) REPORTING.—Issuers of qualified tribal school modernization bonds shall submit reports similar to the reports required under section 149(e).”

**SEC. 5. SOVEREIGN IMMUNITY.**

This Act and the amendments made by this Act shall not be construed to impact, limit, or affect the sovereign immunity of the Federal Government or any State or tribal government.

By Mr. SESSIONS (for himself, Mr. HOLLINGS, Mr. LOTT, Mr. SHELBY, Mr. COCHRAN, Mr. CLELAND, Mr. COVERDELL, Mr. THURMOND, Mr. HELMS, Mr. EDWARDS, Mr. INHOFE, and Mrs. HUTCHISON):

S. 2581. A bill to provide for the preservation and restoration of historic buildings at historically women’s public colleges or universities; to the Committee on Energy and Natural Resources.

HISTORICALLY WOMEN’S PUBLIC COLLEGES OR UNIVERSITIES HISTORIC BUILDING RESTORATION AND PRESERVATION ACT

● Mr. SESSIONS. Mr. President, I rise today to introduce legislation to help preserve the heritage of historic women’s colleges and universities. The United States is presently at mid-point in observing the centennial of the creation of seven unique educational institutions.

There were seven historic women’s public colleges or universities founded in the United States between 1884 and 1908 to provide industrial education for women. They include: the University of Montevallo in Montevallo, Alabama; the Mississippi University for Women in Columbus, Mississippi; the Georgia College and State University in Milledgeville, Georgia; the University of North Carolina at Greensboro; Winthrop University in Rock Hill, South Carolina; the Texas Woman’s University in Denton, Texas; and the University of Science and Arts of Oklahoma, in Chickasha, Oklahoma.

These seven public universities all were originally created to provide industrial and vocational education for women who at the time could not attend other public academic institutions. Following the industrial revolution, the United States found it desirable to promote agricultural, mechanical, and industrial education. Unfortunately, in seven States, the public agricultural and mechanical institutions

created during this period were closed to women. A number of educational advocates for women, notably Miss Julia Tutwiler, a native of Alabama, had learned extensively about European industrial and vocational education and tirelessly advocated the creation of industrial and technical educational opportunities for women. In these States, through major and extended efforts by women like Miss Tutwiler and by agrarian organizations, separate public educational institutions were created by the respective State legislatures to provide industrial and technical education for women. These schools subsequently became coeducational but retain significant historical and academic features of those pioneering efforts to educate women.

Currently these public institutions have critical capital needs related to their historic educational structures. Under this legislation, each school would receive \$2 million in federal matching funding each year of the fiscal years 2001–2005. These funds, along with school funds, would be used for the preservation and restoration of historic buildings at these colleges and universities.

These historically women's public colleges and universities have contributed significantly to the effort to attain equal opportunity through post-secondary education for women, low-income individuals, and educationally disadvantaged Americans. I believe it is our duty to do all we can to preserve these historic institutions and I ask my colleagues for their support.

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. 2581

*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 "Historically Women's Public Colleges or Universities Historic Building Restoration and Preservation Act".

#### SEC. 2. PRESERVATION AND RESTORATION GRANTS FOR HISTORIC BUILDINGS AND STRUCTURES AT HISTORICALLY WOMEN'S PUBLIC COLLEGES OR UNIVERSITIES.

##### (a) AUTHORITY TO MAKE GRANTS.—

(1) IN GENERAL.—From amounts made available under paragraph (2), the Secretary of Interior (referred to in this Act as the "Secretary") shall award grants in accordance with this section to historically women's public colleges or universities (defined as public institutions of higher learning as established in the United States between 1884 and 1908 to provide industrial education for women) for the preservation and restoration of historic buildings and structures on their campuses.

(2) SOURCE OF FUNDING.—Grants under paragraph (1) shall be awarded from amounts appropriated to carry out the National Historic Preservation Act (16 U.S.C. 470 et seq.) for fiscal years 2001 through 2005.

(b) GRANT CONDITIONS.—Grants made under subsection (a) shall be subject to the condi-

tion that the grantee agree, for the period of time specified by the Secretary, that—

(1) no alteration will be made in the property with respect to which the grant is made without the concurrence of the Secretary; and

(2) reasonable public access to the property for which the grant is made will be permitted by the grantee for interpretive and educational purposes.

(c) MATCHING REQUIREMENT.—Except as provided by paragraph (2), the Secretary may obligate funds made available under this section for a grant only if the grantee agrees to provide for activities under the grant, from funds derived from non-Federal sources, an amount equal to 20 percent of the costs of the program to be funded under the grant with the Secretary providing 80 percent of such costs under the grant.

(d) FUNDING PROVISIONS.—

(1) AMOUNTS TO BE MADE AVAILABLE.—Not more than \$14,000,000 for each of the fiscal years 2001 through 2005 may be made available under this section.

(2) ALLOCATIONS FOR FISCAL YEAR 2001.—

(A) IN GENERAL.—Of the amounts made available under this section for fiscal year 2001—

(i) \$2,000,000 shall be available only for grants under subsection (a) to Mississippi University for Women in Columbus, Mississippi;

(ii) \$2,000,000 shall be available only for grants under subsection (a) to Georgia College and State University in Milledgeville, Georgia;

(iii) \$2,000,000 shall be available only for grants under subsection (a) to the University of North Carolina at Greensboro in Greensboro, North Carolina;

(iv) \$2,000,000 shall be available only for grants under subsection (a) to Winthrop University in Rock Hill, South Carolina;

(v) \$2,000,000 shall be available only for grants under subsection (a) to the University of Montevallo in Montevallo, Alabama;

(vi) \$2,000,000 shall be available only for grants under subsection (a) to the Texas Woman's University in Denton, Texas; and

(vii) \$2,000,000 shall be available only for grants under subsection (a) to the University of Science and Arts of Oklahoma in Chickasha, Oklahoma.

(B) LESS THAN \$14,000,000 AVAILABLE.—If less than \$14,000,000 is made available under this section for fiscal year 2001, then the amount made available to each of the 7 institutions under subparagraph (A) shall be reduced by a uniform percentage.

(3) ALLOCATIONS FOR FISCAL YEARS 2002–2005.—Any funds which are made available during fiscal years 2002 through 2005 under subsection (a)(2) shall be distributed by the Secretary in accordance with the provisions of subparagraphs (A) and (B) of paragraph (2) to those grantees named in paragraph (2)(A) which remain eligible and desire to participate, on a uniform basis, in such fiscal years.

(e) REGULATIONS.—The Secretary shall promulgate such regulations as are necessary to carry out this Act.●

● Mr. CLELAND. Mr. President, forty-six years ago today, the U.S. Supreme Court in its *Brown vs. Board of Education of Topeka* decision overturned an 1896 ruling that education should be "separate but equal" thus outlawing racial segregation in the state school system. It is important to note that when the "separate but equal" ruling first went into effect in 1896, there were very few colleges and universities that women could attend. This means that "separate but equal" meant for men only.

Some forty-one years before colleges like the Georgia College and State University was founded in 1889, Elizabeth Cady Stanton, an eminent women's rights leader, drafted a Declaration of Sentiments that pointed to other areas of life where American women were not treated equally. Some of the facts at that time were:

Women were not allowed to vote;  
Women had to submit to laws they had no voice in formulating;  
Married women had no property rights;

Divorce and child custody laws favored men, giving no rights to women;  
Most occupations were closed to women, including medicine and law; and

Women had no means to gain an education since no college or university would accept women students.

Through the efforts of Ms. Stanton and others, colleges and universities began to be established with the mission of preparing the women of our nation to become self-sufficient by affording them an opportunity for an education. Today, many of these colleges and universities are continuing to provide educational opportunities to women to enable them to continue making significant contributions to our country by becoming writers, educators, scientists, heads of state, politicians, civil rights crusaders, artists, entertainers, and business leaders. However, some of the historic buildings that were built between 1884 and 1908 as institutions of higher learning for women are beginning to crumble and decay.

I am proud to be a cosponsor of legislation introduced today by Senator SESSIONS which was crafted to allow the preservation and restoration of treasured historic school buildings. The legislation will provide seven colleges and universities with \$10 million each for five years to help ensure that some historically significant buildings that were built between 1884 and 1908 at women's public colleges and universities continue to serve as national symbols of women's early civil rights and as important monuments to the power that knowledge has brought to America's women. I'd like to note that the amounts needed to fully rejuvenate the buildings to their former glory is far greater than those provided by this legislation.

The list of institutions that need this assistance is quite impressive. One of the seven universities included in this bill is the Georgia College and State University which is located in Georgia's antebellum capital, Milledgeville. The University was chartered in 1889 as the Georgia Normal and Industrial College and its early emphasis was on preparing young women for teaching or industrial careers. From the beginning of this prestigious school, the jewels of the university campus have been the former State Governor's mansion and the old Baldwin County Court House. General Sherman, while occupying the

city of Milledgeville, slept in the mansion and refused to allow it to be burned because he was so impressed with its stateliness. The stately court house and former Governor's mansion, while continuing to be used by the university, are in dire need of repair. The \$10 million included in the bill for the Georgia College and State University will go a long way toward helping to pay the estimated \$27 million repair cost for these, and other treasured campus buildings.

Today the Georgia College and State University's enrollment has grown to an impressive 5,200 students. The institution is now offering more than 65 baccalaureate and 35 graduate degree programs and awards more than 1,100 degrees annually, of which 300 are graduate degrees.

It seems that we are living in a disposable world. We have disposable towels, disposable cameras, and disposable contact lenses. Let us not dispose of these buildings or the history they represent. I believe that the college and university campus buildings that are to be preserved and restored by this legislation will continue to serve our nation well by continuing to provide quality education for the leaders of tomorrow. ●

By Mr. LIEBERMAN (for himself, Mr. LEVIN, Mr. DASCHLE, Mr. MCCAIN, Mr. JEFFORDS, Mr. FEINGOLD, Mr. DURBIN, Mr. CLELAND, Mr. KERRY, Mr. TORRICELLI, Mr. KENNEDY, Mr. AKAKA, and Mr. BRYAN):

S. 2582. A bill to amend section 527 of the Internal Revenue Code of 1986 to better define the term political organization; to the Committee on Finance.

S. 2583. A bill to amend the Internal Revenue Code of 1986 to increase disclosure for certain political organizations exempt from tax under section 527; to the Committee on Finance.

LEGISLATION REGARDING SECTION 527 OF THE  
TAX CODE

Mr. LIEBERMAN. Mr. President, I rise today to introduce two bills aimed at curtailing the newest threat to the integrity of our nation's election process: the proliferation of so-called stealth PACs operating under Section 527 of the tax code. These groups exploit a recently discovered loophole in the tax code that allows organizations seeking to influence federal elections to fund their election work with undisclosed and unlimited contributions at the same time as they claim exemption from both federal taxation and the federal election laws.

Section 527 of the tax code offers tax exemption to organizations primarily involved in election-related activities, like campaign committees, party committees and PACs. It defines the type of organization it covers as one whose function is, among other things, "influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any Federal, State, or local public office

... ." Because the Federal Election Campaign Act ("FECA") uses near identical language to define the entities it regulates—organizations that spend or receive money "for the purpose of influencing any election for Federal office"—Section 527 formerly had been generally understood to apply only to those organizations that register as political committees under, and comply with, FECA, unless they focus on State or local activities or do not meet certain other specific FECA requirements).

Nevertheless, a number of groups engaged in what they term issue advocacy campaigns and other election-related activity recently began arguing that the near identical language of FECA and Section 527 actually mean two different things. In their view, they can gain freedom from taxation by claiming that they are seeking to influence the election of individuals to Federal office, but may evade regulation under FECA, by asserting that they are not seeking to influence an election for Federal office. As a result—because, unlike other tax-exempt groups like 501(c)(3)s and (c)(4)s, Section 527 groups don't even have to publicly disclose their existence—these groups gain both the public subsidy of tax exemption and the ability to shield from the American public the identity of those spending their money to try to influence our elections. Indeed, according to news reports, newly-formed 527 organizations pushing the agenda of political parties are using the ability to mask the identities of their contributors as a means of courting wealthy donors seeking anonymity in their efforts to influence our elections.

Because Section 527 organizations are not required to publicly disclose their existence, it is impossible to know the precise scope of this problem. The IRS's private letter rulings, though, make clear that organizations intent on running what they call issue ad campaigns and engaging in other election-related activity are free to assert Section 527 status, and news reports provide specific examples of groups taking advantage of these rulings. Roll Call reported the early signs of this phenomenon in late 1997, when it published an article on the decision of Citizens for Reform and Citizens for the Republic Education Fund, two Triad Management Services organizations that ran \$2 million issue ad campaigns during the 1996 elections, to switch from 501(c)(4) status (which imposes limits on a group's political activity) to 527 status after the 1996 campaigns. A more recent Roll Call report recounted the efforts of a team of GOP lawyers and consultants to shop an organization called Citizens for the Republican Congress to donors as a way to bankroll up to \$35 million in pro-Republican issue ads in the 30 most competitive House races. And Common Cause's recent report *Under The Radar: The Attack Of The "Stealth PACs"* On Our Nation's Elections offers details on

527 groups set up by politicians (Congressmen J.C. WATTS and TOM DELAY), industry groups (the pharmaceutical industry-funded Citizens for Better Medicare) and ideological groups from all sides of the political spectrum (the Wyly Brothers' Republicans for Clean Air, Ben & Jerry's Business Leaders for Sensible Priorities and a 527 set up by the Sierra Club). The advantages conferred by assuming the 527 form—the anonymity provided to both the organization and its donors, the ability to engage in unlimited political activity without losing tax-exempt status, and the exemption from the gift tax imposed on very large donors—leave no doubt that these groups will proliferate as the November election approaches.

And none of us should doubt that the proliferation of these groups—with their potential to serve as secret slush funds for candidates and parties, their ability to run difficult-to-trace attack ads, and their promise of anonymity to those seeking to spend huge amounts of money to influence our elections—poses a real and significant threat to the integrity and fairness of our elections. We all know that the identity of the messenger has a lot of influence on how we view a message. In the case of a campaign, an ad or piece of direct mail attacking one candidate or lauding another carries a lot more weight when it is run or sent by a group called "Citizens for Good Government" or "Committee for our Children" than when a candidate, party or someone with a financial stake in the election publicly acknowledges sponsorship of the ad or mailing. Without a rule requiring a group involved in elections to disclose who is behind it and where the group gets its money, the public is deprived of vital information that allows it to judge the group's credibility and its message, throwing into doubt the very integrity of our elections. With this incredibly powerful tool in their hands, can anyone doubt that come November, we will see more and more candidates, parties and groups with financial interests in the outcome of our elections taking advantage of the 527 loophole to run more and more attack ads and issue more and more negative mailings in the name of groups with innocuous-sounding names?

But the risk posed by the 527 loophole goes even farther than depriving the American people of critical information. I believe that it threatens the very heart of our democratic political process. Allowing these groups to operate in the shadows poses a real risk of corruption and makes it difficult for us to vigilantly guard against that risk. The press has reported that a growing number of 527 groups have connections to—or even have been set up by—candidates and elected officials. Allowing wealthy individuals to give to these groups—and allowing elected officials to solicit money for these groups—without ever having to disclose their dealings to the public, at a minimum,

leads to an appearance of corruption and sets the conditions that would allow actual corruption to thrive. If politicians are allowed to continue secretly seeking money—particularly sums of money that exceed what the average American makes in a year—there is no telling what will be asked for in return.

In the hopes of forestalling the conversion of yet another loophole into yet another sinkhole for the integrity of our elections, I am joined today by a distinguished bipartisan coalition in introducing two bills addressing the 527 problem. Our first bill—I think of it as our aspirational bill—would completely close the Section 527 loophole, by making clear that tax exemption under Section 527 is available only to organizations regulated under FECA (unless an organization focuses exclusively on State or local elections or does not meet certain other explicit FECA requirements). If this bill were enacted, groups no longer would be able to tell one thing to the IRS to get a tax benefit and then deny the same thing to the FEC in order to evade FECA regulation.

Recognizing that a complete closing of the 527 loophole may not be possible to achieve this Congress, however, we are offering a narrower alternative—a pragmatic bill—aimed at forcing Section 527 organizations to emerge from the shadows and let the public know who they are, where they get their money and how they spend it. The bill would require 527 organizations to disclose their existence to the IRS, to file publicly available tax returns and to file with the IRS and make public reports specifying annual expenditures of at least \$500 and identifying those who contribute at least \$200 annually to the organization. Although this won't solve the whole problem, at least it will make sure that no group can hide in the shadows as it spends millions to influence the way we vote and who we choose to run this country.

No doubt opponents of this legislation will claim that our proposal infringes on their First Amendment rights to free speech and association. But, Mr. President, nothing in our bills infringes on those cherished freedoms in the slightest bit. Our bills do not prohibit anyone from speaking, nor do they force any group that does not currently have to comply with FECA or disclose information about itself to do either of those things. Our bills speak only to what a group must do if it wants the public subsidy of tax exemption—something the Supreme Court has made clear no one has a constitutional right to have. As the Court explained in *Regan v. Taxation with Representation of Washington*, 461 U.S. 540, 544, 545, 549 (1983), “[b]oth tax exemptions and tax-deductibility are a form of subsidy that is administered through the tax system,” and “Congressional selection of particular entities or persons for entitlement to this sort of largesse is obviously a matter of policy

and discretion . . .” Under our bills, any group not wanting to disclose information about itself or abide by the election laws would be able to continue doing whatever it is doing now—it would just have to do so without the public subsidy of tax exemption conferred by Section 527.

Mr. President, we have become so used to our campaign finance system's long, slow descent into the muck that it sometimes is hard to ignite the kind of outrage that should result when a new loophole starts to shred the spirit of yet another law aimed at protecting the integrity of our system. But this new 527 loophole should outrage us, and we must act to stop it. The bipartisan coalition joining with me today is doing just that. I hope all of our colleagues will join us in supporting these proposals, and ask unanimous consent that the text of both bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 2582

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

**SECTION 1. DEFINITION OF POLITICAL ORGANIZATION.**

(a) DEFINITION OF POLITICAL ORGANIZATION.—Paragraph (1) of section 527(e) of the Internal Revenue Code of 1986 (relating to political organizations) is amended to read as follows:

“(1) POLITICAL ORGANIZATION.—

“(A) IN GENERAL.—The term ‘political organization’ means a party, committee, association, fund, or other organization (whether or not incorporated)—

“(i) organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for an exempt function, and

“(ii) which is a political committee described in section 301(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(4)).

“(B) EXCEPTIONS.—Subparagraph (A)(ii) shall not apply in the case of—

“(i) an organization described in subparagraph (C),

“(ii) any committee, club, association, or other group of persons (other than a separate segregated fund established under section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b)) which accepts contributions or makes expenditures (as defined in this subsection) during a calendar year in an aggregate amount of less than \$1,000, or

“(iii) any local committee of a political party which is not a political committee (as so defined).

“(C) CERTAIN ORGANIZATIONS.—An organization is described in this subparagraph if—

“(i) the activities of the organization are for the primary purpose of influencing or attempting to influence—

“(I) the selection, nomination, election, or appointment of any individual to any State or local public office,

“(II) the appointment of any individual to any Federal public office, or

“(III) the selection, nomination, election, or appointment of any individual to any office in a political organization, and

“(ii) the organization does not engage in any activity that is for the purpose of directly or indirectly influencing or attempting to influence the selection, nomination, or election of any individual to any Federal public office or the election of Presidential or Vice Presidential electors.

The preceding sentence shall apply whether or not an individual described in subclause (I), (II), or (III) of clause (i) or in clause (ii) of such sentence is selected, nominated, elected, or appointed to such office.”.

(b) EFFECTIVE DATE.—This section and the amendment made by this section take effect on the date that is 30 days after the date of enactment of this Act.

S. 2583

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

**SECTION 1. REQUIRED NOTIFICATION OF SECTION 527 STATUS.**

(a) IN GENERAL.—Section 527 of the Internal Revenue Code of 1986 (relating to political organizations) is amended by adding at the end the following new subsection:

“(i) ORGANIZATIONS MUST NOTIFY SECRETARY THAT THEY ARE SECTION 527 ORGANIZATIONS.—

“(1) IN GENERAL.—Except as provided in paragraph (5), an organization shall not be treated as an organization described in this section—

“(A) unless it has given notice to the Secretary, electronically and in writing, that it is to be so treated, or

“(B) if the notice is given after the time required under paragraph (2), the organization shall not be so treated for any period before such notice is given.

“(2) TIME TO GIVE NOTICE.—The notice required under paragraph (1) shall be transmitted not later than 24 hours after the date on which the organization is established.

“(3) CONTENTS OF NOTICE.—The notice required under paragraph (1) shall include information regarding—

“(A) the name and address of the organization (including any business address, if different) and its electronic mailing address,

“(B) the purpose of the organization,

“(C) the names and addresses of its officers, highly compensated employees, contact person, custodian of records, and members of its Board of Directors,

“(D) the name and address of, and relationship to, any related entities (within the meaning of section 168(h)(4)), and

“(E) such other information as the Secretary may require to carry out the internal revenue laws.

“(4) EFFECT OF FAILURE.—In the case of an organization failing to meet the requirements of paragraph (1) for any period, the taxable income of such organization shall be computed by taking into account any exempt function income (and any deductions directly connected with the production of such income).

“(5) EXCEPTIONS.—This subsection shall not apply to any organization—

“(A) to which this section applies solely by reason of subsection (f)(1), or

“(B) which reasonably anticipates that it will not have gross receipts of \$25,000 or more for any taxable year.

“(6) COORDINATION WITH OTHER REQUIREMENTS.—This subsection shall not apply to any person required (without regard to this subsection) to report under the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) as a political committee.”.

(b) DISCLOSURE REQUIREMENTS.—

(1) INSPECTION AT INTERNAL REVENUE SERVICE OFFICES.—

(A) IN GENERAL.—Section 6104(a)(1)(A) of the Internal Revenue Code of 1986 (relating to public inspection of applications) is amended—

(i) by inserting “or a political organization is exempt from taxation under section 527 for any taxable year” after “taxable year”,

(ii) by inserting “or notice of status filed by the organization under section 527(i)” before “, together”.

(iii) by inserting “or notice” after “such application” each place it appears.

(iv) by inserting “or notice” after “any application”.

(v) by inserting “for exemption from taxation under section 501(a)” after “any organization” in the last sentence, and

(vi) by inserting “OR 527” after “SECTION 501” in the heading.

(B) CONFORMING AMENDMENT.—The heading for section 6104(a) of such Code is amended by inserting “OR NOTICE OF STATUS” before the period.

(2) INSPECTION OF NOTICE ON INTERNET AND IN PERSON.—Section 6104(a) of such Code is amended by adding at the end the following new paragraph:

“(3) INFORMATION AVAILABLE ON INTERNET AND IN PERSON.—

“(A) IN GENERAL.—The Secretary shall make publicly available, on the Internet and at the offices of the Internal Revenue Service—

“(i) a list of all political organizations which file a notice with the Secretary under section 527(i), and

“(ii) the name, address, electronic mailing address, custodian of records, and contact person for such organization.

“(B) TIME TO MAKE INFORMATION AVAILABLE.—The Secretary shall make available the information required under subparagraph (A) not later than 5 business days after the Secretary receives a notice from a political organization under section 527(i).”

(3) INSPECTION BY COMMITTEE OF CONGRESS.—Section 6104(a)(2) of such Code is amended by inserting “or notice of status of any political organization which is exempt from taxation under section 527 for any taxable year” after “taxable year”.

(4) PUBLIC INSPECTION MADE AVAILABLE BY ORGANIZATION.—Section 6104(d) of such Code (relating to public inspection of certain annual returns and applications for exemption) is amended—

(A) by striking “AND APPLICATIONS FOR EXEMPTION” and inserting “, APPLICATIONS FOR EXEMPTION, AND NOTICES OF STATUS” in the heading,

(B) by inserting “or notice of status under section 527(i)” after “section 501” and by inserting “or any notice materials” after “materials” in paragraph (1)(A)(ii),

(C) by inserting or “or such notice materials” after “materials” in paragraph (1)(B), and

(D) by adding at the end the following new paragraph:

“(6) NOTICE MATERIALS.—For purposes of paragraph (1), the term ‘notice materials’ means the notice of status filed under section 527(i) and any papers submitted in support of such notice and any letter or other document issued by the Internal Revenue Service with respect to such notice.”

(c) FAILURE TO MAKE PUBLIC.—Section 6652(c)(1)(D) of the Internal Revenue Code of 1986 (relating to public inspection of applications for exemption) is amended—

(1) by inserting “or notice materials (as defined in such section)” after “section”, and

(2) by inserting “AND NOTICE OF STATUS” after “EXEMPTION” in the heading.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by this section shall take effect on the date of the enactment of this section.

(2) ORGANIZATIONS ALREADY IN EXISTENCE.—In the case of an organization established before the date of the enactment of this section, the time to file the notice under section 527(i)(2) of the Internal Revenue Code of 1986, as added by this section, shall be 30

days after the date of the enactment of this section.

(3) INFORMATION AVAILABILITY.—The amendment made by subsection (b)(2) shall take effect on the date that is 45 days after the date of the enactment of this section.

## SEC. 2. DISCLOSURES BY POLITICAL ORGANIZATIONS.

(a) REQUIRED DISCLOSURE OF 527 ORGANIZATIONS.—Section 527 of the Internal Revenue Code of 1986 (relating to political organizations), as amended by section 1(a), is amended by adding at the end the following new section:

“(j) REQUIRED DISCLOSURE OF EXPENDITURES AND CONTRIBUTIONS.—

“(1) DENIAL OF EXEMPTION.—An organization shall not be treated as an organization described in this section unless it makes the required disclosures under paragraph (2).

“(2) REQUIRED DISCLOSURE.—A political organization which accepts a contribution, or makes an expenditure, for an exempt function during any calendar year shall file with the Secretary either—

“(A)(i) in the case of a calendar year in which a regularly scheduled election is held—

“(I) quarterly reports, beginning with the first quarter of the calendar year in which a contribution is accepted or expenditure is made, which shall be filed not later than the 15th day after the last day of each calendar quarter, except that the report for the quarter ending on December 31 of such calendar year shall be filed not later than January 31 of the following calendar year,

“(II) a pre-election report, which shall be filed not later than the 12th day before (or posted by registered or certified mail not later than the 15th day before) any election with respect to which the organization makes a contribution or expenditure, and which shall be complete as of the 20th day before the election, and

“(III) a post-general election report, which shall be filed not later than the 30th day after the general election and which shall be complete as of the 20th day after such general election, and

“(i) in the case of any other calendar year, a report covering the period beginning January 1 and ending June 30, which shall be filed no later than July 31 and a report covering the period beginning July 1 and ending December 31, which shall be filed no later than January 31 of the following calendar year, or

“(B) monthly reports for the calendar year, beginning with the first month of the calendar year in which a contribution is accepted or expenditure is made, which shall be filed not later than the 20th day after the last day of the month and shall be complete as if the last day of the month, except that, in lieu of filing the reports otherwise due in November and December of any year in which a regularly scheduled general election is held, a pre-general election report shall be filed in accordance with subparagraph (A)(i)(II), a post-general election report shall be filed in accordance with subparagraph (A)(i)(III), and a year end report shall be filed not later than January 31 of the following calendar year.

“(3) CONTENTS OF REPORT.—A report required under paragraph (2) shall contain the following information:

“(A) The amount of each expenditure made to a person if the aggregate amount of expenditures to such person during the calendar year equals or exceeds \$500 and the name and address of the person (in the case of an individual, include the occupation and name of employer of such individual).

“(B) The name and address (in the case of an individual, include the occupation and name of employer of such individual) of all contributors which contributed an aggregate

amount of \$200 or more to the organization during the calendar year and the amount of the contribution.

Any expenditure or contribution disclosed in a previous reporting period is not required to be included in the current reporting period.

“(4) CONTRACTS TO SPEND OR CONTRIBUTE.—For purposes of this subsection, a person shall be treated as having made an expenditure or contribution if the person has contracted or is otherwise obligated to make the expenditure or contribution.

“(5) COORDINATION WITH OTHER REQUIREMENTS.—This subsection shall not apply—

“(A) to any person required (without regard to this subsection) to report under the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) as a political committee,

“(B) to any State or local committee of a political party or political committee of a State or local candidate,

“(C) to any organization which reasonably anticipates that it will not have gross receipts of \$25,000 or more for any taxable year,

“(D) to any organization to which this section applies solely by reason of subsection (f)(1), or

“(E) with respect to any expenditure which is an independent expenditure (as defined in section 301 of such Act).

“(6) ELECTION.—For purposes of this subsection, the term ‘election’ means—

“(A) a general, special, primary, or runoff election for a Federal office,

“(B) a convention or caucus of a political party which has authority to nominate a candidate for Federal office,

“(C) a primary election held for the selection of delegates to a national nominating convention of a political party, or

“(D) a primary election held for the expression of a preference for the nomination of individuals for election to the office of President.”

(b) PUBLIC DISCLOSURE OF REPORTS.—

(1) IN GENERAL.—Section 6104(d) of the Internal Revenue Code of 1986 (relating to public inspection of certain annual returns and applications for exemption), as amended by section 1(b)(4), is amended—

(A) by inserting “REPORTS,” after “RETURNS,” in the heading,

(B) in paragraph (1)(A), by striking “and” at the end of clause (i), by inserting “and” at the end of clause (ii), and by inserting after clause (ii) the following new clause:

“(iii) the reports filed under section 527(j) (relating to required disclosure of expenditures and contributions) by such organization,” and

(C) in paragraph (1)(B), by inserting “, reports,” after “return”.

(2) DISCLOSURE OF CONTRIBUTORS ALLOWED.—Section 6104(d)(3)(A) of such Code (relating to nondisclosure of contributors, etc.) is amended by inserting “or a political organization exempt from taxation under section 527” after “509(a)”.

(3) DISCLOSURE BY INTERNAL REVENUE SERVICE.—Section 6104(d) of such Code is amended by adding at the end the following new paragraph:

“(6) DISCLOSURE OF REPORTS BY INTERNAL REVENUE SERVICE.—Any report filed by an organization under section 527(j) (relating to required disclosure of expenditures and contributions) shall be made available to the public at such times and in such places as the Secretary may prescribe.”

(c) FAILURE TO MAKE PUBLIC.—Section 6652(c)(1)(C) of the Internal Revenue Code of 1986 (relating to public inspection of annual returns) is amended—

(1) by inserting “or report required under section 527(j)” after “filing”,

(2) by inserting “or report” after “1 return”, and

(3) by inserting "AND REPORTS" after "RETURNS" in the heading.

(d) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to expenditures made and contributions received after the date of enactment of this Act, except that such amendment shall not apply to expenditures made, or contributions received, after such date pursuant to a contract entered into on or before such date.

### SEC. 3. RETURN REQUIREMENTS RELATING TO SECTION 527 ORGANIZATIONS.

#### (a) RETURN REQUIREMENTS.—

(1) ORGANIZATIONS REQUIRED TO FILE.—Section 6012(a)(6) of the Internal Revenue Code of 1986 (relating to political organizations required to make returns of income) is amended by inserting "or which has gross receipts of \$25,000 or more for the taxable year (other than an organization to which section 527 applies solely by reason of subsection (f)(1) of such section)" after "taxable year".

(2) INFORMATION REQUIRED TO BE INCLUDED ON RETURN.—Section 6033 of such Code (relating to returns by exempt organizations) is amended by redesignating subsection (g) as subsection (h) and inserting after subsection (f) the following new subsection:

"(g) RETURNS REQUIRED BY POLITICAL ORGANIZATIONS.—In the case of a political organization required to file a return under section 6012(a)(6)—

"(1) such organization shall file a return—  
 "(A) containing the information required, and complying with the other requirements, under subsection (a)(1) for organizations exempt from taxation under section 501(a), and  
 "(B) containing such other information as the Secretary deems necessary to carry out the provisions of this subsection, and

"(2) subsection (a)(2)(B) (relating to discretionary exceptions) shall apply with respect to such return."

#### (b) PUBLIC DISCLOSURE OF RETURNS.—

##### (1) RETURNS MADE AVAILABLE BY SECRETARY.—

(A) IN GENERAL.—Section 6104(b) of the Internal Revenue Code of 1986 (relating to inspection of annual information returns) is amended by inserting "6012(a)(6)," before "6033".

(B) CONTRIBUTOR INFORMATION.—Section 6104(b) of such Code is amended by inserting "or a political organization exempt from taxation under section 527" after "509(a)".

##### (2) RETURNS MADE AVAILABLE BY ORGANIZATIONS.—

(A) IN GENERAL.—Paragraph (1)(A)(i) of section 6104(d) of such Code (relating to public inspection of certain annual returns, reports, applications for exemption, and notices of status) is amended by inserting "or section 6012(a)(6) (relating to returns by political organizations)" after "organizations)".

#### (B) CONFORMING AMENDMENTS.—

(i) Section 6104(d)(1) of such Code is amended in the matter preceding subparagraph (A) by inserting "or an organization exempt from taxation under section 527(a)" after "501(a)".

(ii) Section 6104(d)(2) of such Code is amended by inserting "or section 6012(a)(6)" after "section 6033".

(c) FAILURE TO FILE RETURN.—Section 6652(c)(1) of the Internal Revenue Code of 1986 (relating to annual returns under section 6033) is amended—

(1) by inserting "or section 6012(c)(6) (relating to returns by political organizations)" after "organizations)" in subparagraph (A)(i),

(2) by inserting "or section 6012(c)(6)" after "section 6033" in subparagraph (A)(ii),

(3) by inserting "or section 6012(c)(6)" after "section 6033" in the third sentence of subparagraph (A), and

(4) by inserting "OR 6012(c)(6)" after "SECTION 6033" in the heading.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to returns for taxable years beginning after June 30, 2000.

Mr. JEFFORDS. Mr. President, I would first like to thank Senator LIEBERMAN for his hard work in focusing the attention of the nation on the problems Section 527 organizations are creating in our campaign finance system. Today, I join Senator LIEBERMAN and others in introducing two legislative vehicles to address the problems these organizations are bringing to our already troubled campaign finance system.

Many years ago, James Madison said, "A popular government without popular information is but a prologue to a tragedy or a farce or perhaps both. Knowledge will forever govern ignorance and a people who mean to be their own governors must arm themselves with the power which knowledge gives."

In clearer terms, Francis Bacon conveys the same principle in the saying, "Knowledge is Power."

Mr. President, most people don't know what a section 527 organization is, and that is understandable as it is a highly complex issue. But what many people do understand is that our campaign finance system is broken and that we must do something to fix it.

I have long believed in Justice Brandeis' statement that, "Sunlight is said to be the best of disinfectants." People deserve to know before they step into the voting booth which individuals or organizations are sponsoring the advertisements, mailings, and phone banks they may see or hear from during an election. We need to shine some sunlight on these secretive Section 527 organizations so that people will know who or what is trying to influence their vote.

Mr. President, the passage of either of these important pieces of legislation would help arm the people with the knowledge they need in order to exercise their civic duty and sustain our popular government.

We must close the loophole allowing so-called "Stealth PAC's" organized under Section 527 of the tax code, to hide their donors, activities, even their very existence from public view. Doing so would be an important first step in helping restore the public's confidence in our political system.

Mr. President, passage of this legislation would be one small step in eventually achieving our ultimate goal, which is enactment of meaningful campaign finance reform that includes increasing disclosure requirements and the banning of soft money. It is time to work together. It is time to act. It is time to pass campaign finance reform.

Mr. LEVIN. Mr. President, I am pleased to be joining Senators LIEBERMAN, DASCHLE, MCCAIN, FEINGOLD, and others today in sponsoring this legislation to close the Section 527 loophole in our campaign finance and tax laws.

Section 527 of the IRS Code was originally created by Congress in the 1970's

to provide a category of tax exempt organizations for political parties and political committees. While contributions to a political party or political committee are not tax deductible to the contributor, Congress did provide a tax exemption to the political organization for the money contributed. At the time Congress established the tax exemption, it assumed that since the sole stated purpose of such organizations is to influence elections, the organizations would be filing a more complete disclosure with the FEC under the campaign finance laws and consequently it wasn't necessary to require disclosure with the IRS. Once a federal court ruled in 1996 that coverage under the federal election laws required advocating the election or defeat of a specific candidate and not just seeking to influence the outcome of an election, the backbone of disclosure for Section 527 political organizations dissolved. Section 527 organizations could get the tax exemption for a political organization without having to follow the requirements—both the disclosure requirements and the contribution limits—of the federal election laws. Thus, an organization can state openly to the IRS that it is spending money for the sole purpose of influencing an election and get a tax exemption under Section 527, yet it can avoid registering with the Federal Election Commission because it can argue that its influence is not directed at a specific candidate. That's the kind of Alice-in-Wonderland logic we've got with this loophole.

Today we are offering two alternative solutions to the Section 527 problem. One bill would apply filing requirements to Section 527 organizations that are required of other tax exemption organizations in the Tax Code and add new requirements to disclose contributions to the public; the other would require a Section 527 organization to comply with the federal election laws, as was originally contemplated when Congress created Section 527 in the first place. Given the limited number of legislative days remaining, we think it wise to pass, at a minimum, the bill requiring disclosure under tax code, although as a long-term solution, we favor the bill requiring disclosure and limits under the federal campaign laws.

Mr. President, the Section 527 loophole in our federal campaign laws is a bipartisan problem that requires and deserves a bipartisan solution. Supporters of both parties have Section 527 organizations. This is a loophole in our laws that you can drive not only a truck through, but a convoy of trucks. And that's what's happening as we speak. Individuals and organizations that want to affect our federal elections but don't want to be restricted by our federal election laws are making tracks to Section 527 and establishing Section 527 organizations to run their election ads—without disclosure, without contribution limits.

Now those ads—like other sham issue ads—can't say "vote for" or "don't

elect", but they can go right up to that line and make essentially the same point.

Mr. President, even if a Member of this body doesn't support campaign finance reform, he or she can support this legislation, because it is about disclosure and it eliminates an unintended consequence of the convergence of two laws—the tax laws and the campaign finance laws. Congress never intended to allow Section 527 organizations to escape both disclosure and campaign finance limits. Yet that's what's happened as a result of recent interpretations by the IRS and a U.S. District Judge. Our legislation reverses these interpretations and reinstates Congressional intent.

In late January of this year, the staff of the Joint Committee on Taxation released a study of the Disclosure Provisions Relating to Tax-Exempt Organizations. In that study, the bipartisan staff addressed Section 527 organizations and the JCT staff recommended: that 527 organizations be required to "disclose information relating to their activities to the public . . ."; and that 527 organizations "be required to file an annual return even if the organizations do not have taxable income and that the annual return should be expanded to include more information regarding the activities of the organization." [Section 527 organizations currently aren't even required to file a tax return.]

The JCT report said, "This recommendation is consistent with the recommendation that all tax returns relating to tax-exempt organizations should be disclosable."

As the 2000 campaign evolves and we get closer to November, the American public is going to be seeing the consequences—the real life consequences of this loophole in our campaign finance laws. Candidates from both parties are going to be hit with ads by groups with names that sound like responsible civic organizations but which in reality are nothing more than well financed political opponents. But the damage from such ads will be incurred well before a candidate can even catch his or her breath much the less make any headway in identifying the source of the money behind the ads. That's why we need this legislation now.

By Mr. ROBB (for himself and Mr. WARNER):

S. 2584. A bill to provide for the allocation of interest accruing to the Abandoned Mine Reclamation Fund, and for other purposes; to the Committee on Energy and Natural Resources.

COAL ACCOUNTABILITY AND RETIRED EMPLOYEE ACT

Mr. ROBB. Mr. President, I am pleased to introduce the Coal Accountability and Retired Employee Act for the 21st Century. This legislation would authorize a transfer of interest from the Abandoned Mine Reclamation Fund to the United Mine Worker Com-

bined Benefit Fund so that we can keep our promise of paying for our retired coal miner's health benefits.

In the 1992 Coal Act, a promise was made to retired coal miners and their families that they would have health benefits. In a few short months, the available funds for these health benefits will be exhausted. We cannot allow this to happen. We made a promise—we must keep it.

Last week, Senator ROCKEFELLER introduced similar legislation to authorize a transfer from general revenues to pay for the shortfall in the retiree health benefits fund. Senator ROCKEFELLER has been a leader on this issue for many years and I strongly support his approach. Last year, thanks to the dogged determination of Senator BYRD, we were able to postpone the inevitable by getting additional funding. This funding, however, will run out in several months. The time has come to make good on the promise to the retired coal miners. This legislation will give retired coal miners and their families the health benefits they deserve.

By Mr. GRAHAM (for himself, Mr. JEFFORDS, Mr. GRASSLEY, and Mr. ROCKEFELLER):

S. 2585. A bill to amend titles IV and XX of the Social Security Act to restore funding for the Social Services Block Grant, to restore the ability of the States to transfer up to 10 percent of TANF funds to carry out activities under such block grant, and to require an annual report on such activities by the Secretary of Health and Human Services; to the Committee on Finance.

PROTECTING THE SOCIAL SERVICES BLOCK GRANT

Mr. GRAHAM. Mr. President, I rise today with my colleagues Senators JEFFORDS, GRASSLEY, and ROCKEFELLER to introduce a bill to restore critical funding to the Social Services Block Grant (SSBG).

Mr. President, the Social Services Block Grant, Title XX of the Social Security Act, was created in 1981 by combining funding for social services and related staff training, and was intended to be the primary source of federal funds for social services. Funds are allocated to states on a per capita basis and they can use them to address abuse and neglect and to encourage self sufficiency and independence.

Since its creation, SSBG has successfully provided states with funds to address the social service needs they see as most pressing. States have broad flexibility in determining which services meet the needs of their unique populations, who should deliver the services and which families and individuals to serve. The array of needed programs covered under this important block grant range from adoption services to adult protective services—from home delivered meals to day care—from education and training programs to residential treatment services.

In the 1996 welfare law, an agreement was made between Congress and the

States to decrease the SSBG from \$2.8b to \$2.38b until welfare reform was firmly established. The Finance Committee guaranteed states that SSBG would be funded at \$2.38 billion per year until FY03 when it would be restored to \$2.8b. In order to allow them to continue to fund critical social service programs, Congress allowed states to transfer 10 percent of its Temporary Assistance for Needy Families (TANF) block grant to SSBG. This was an important promise that has been broken. This legislation allows us to return to our promise and an agreement that was critical to the success of the new welfare system.

As members of the Finance Committee, we have an acute understanding of the value of the programs over which we have oversight responsibilities. We have consistently worked, with some success, to ensure the foundation of SSBG.

This overarching commitment was exemplified during the FY 2000 budget process. The Senate showed its bipartisan support for this important program by voting 57-39 to restore Title XX funding to its authorized level of \$2.38 billion. Unfortunately, in the final omnibus appropriations bill, Title XX funding was cut from its authorized level of \$2.38 billion to \$1.775 billion. This \$600 million cut is having a direct impact on the availability of necessary services for the nation's neediest citizens.

This year, the Appropriations Subcommittee on Labor, Health, and Human Services and Education has included draconian cuts to this critical program by decreasing the funding levels from \$1.7 billion to \$600 million. This level of reduction is simply unacceptable and would virtually bankrupt the program.

Our bill would ensure that Title XX funds would remain available to support needed services for children and families in crisis. The block grant has also been one of the only funding sources available for community-based services for elderly and disabled persons. It is unconscionable that this critical source of funding for the most basic and necessary of social services has been cut by over \$1 billion in a short five years, and that the Senate Appropriations Committee would suggest a billion dollar cut in one year alone.

If adequate funding for this program is not restored to SSBG, vulnerable children, families, elderly, and disabled persons will be without the assistance they need to live independently. Title XX provides the support necessary for families in crisis, the elderly, and many persons with both physical and mental disabilities to live independently in the community. These funds also provide support through childcare and counseling, both of which are necessary for persons with multiple barriers to employment to successfully leave the TANF rolls.

The importance of the Social Services Block Grant is not only recognized

by state and local governments, but also by non profit providers across the country who have joined together with governments in support of this block grant. Congress needs to also recognize the Social Services Block Grant as the critical safety-net program that it is, and pass our bill to restore funding to the levels necessary to keep our promise to our neediest citizens.

I hope that my Senate colleagues will join us in cosponsoring this critical piece of legislation.

Mr. GRASSLEY. Mr. President, I am very pleased to join my esteemed colleagues, Senators GRAHAM and JEFFORDS, in introducing this important piece of legislation. Title XX, the Social Services Block Grant, is crucial to states. Congress needs to meet its earlier commitment to this program and restore funding to the level authorized in 1996.

The Social Services Block Grant allows states the flexibility to fill in the gaps in their human services system. Through this funding, states, local governments and non-profit organizations can supplement other federal programs and leverage additional funding and resources to support an array of social service programs that are critical to those in need.

Millions of elderly people have benefited from Title XX as have hundreds of thousand of individuals with disabilities. States use these funds to help support crucial services such as respite care for the elderly, adult protective services, supported living and transportation for the disabled. In recent years, more than a quarter of these funds have been used to support children's services. Child protective services, foster care and adoption programs have all been supplemented with these funds.

In my home state of Iowa, Social Services Block Grant funds are used to supplement numerous service programs. One program uses these funds to help transport individuals with developmental disabilities to their jobs and so that they may receive medical treatment. Funds are also used to help people with disabilities live in their communities, saving significant amounts of money that would otherwise go to caring for them in institutions.

Congress has consistently cut this important program in order to pay for other things. It is time that we restore funding to the level we authorized in 1996. Without this funding, important services that protect children, the elderly and the disabled will not be provided. I urge my other colleagues in the Senate to support our efforts to restore this program to the necessary level of funding.

#### ADDITIONAL COSPONSORS

S. 345

At the request of Mr. ALLARD, the names of the Senator from South Dakota (Mr. JOHNSON) and the Senator

from North Carolina (Mr. EDWARDS) were added as cosponsors of S. 345, a bill to amend the Animal Welfare Act to remove the limitation that permits interstate movement of live birds, for the purpose of fighting, to States in which animal fighting is lawful.

S. 861

At the request of Mr. DURBIN, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 861, a bill to designate certain Federal land in the State of Utah as wilderness, and for other purposes.

S. 1159

At the request of Mr. STEVENS, the names of the Senator from North Dakota (Mr. CONRAD) and the Senator from Nebraska (Mr. KERREY) were added as cosponsors of S. 1159, a bill to provide grants and contracts to local educational agencies to initiate, expand, and improve physical education programs for all kindergarten through 12th grade students.

S. 1291

At the request of Mr. DEWINE, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 1291, a bill to amend the Internal Revenue Code of 1986 to allow small business employers a credit against income tax for certain expenses for long-term training of employees in highly skilled small business trades.

S. 1472

At the request of Mr. SARBANES, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 1472, a bill to amend chapters 83 and 84 of title 5, United States Code, to modify employee contributions to the Civil Service Retirement System and the Federal Employees Retirement System to the percentages in effect before the statutory temporary increase in calendar year 1999, and for other purposes.

S. 1668

At the request of Mr. KERRY, the name of the Senator from Hawaii (Mr. INOUE) was added as a cosponsor of S. 1668, a bill to amend title VII of the Civil Rights Act of 1964 to establish provisions with respect to religious accommodation in employment, and for other purposes.

S. 1816

At the request of Mr. HAGEL, the name of the Senator from Oregon (Mr. SMITH) was added as a cosponsor of S. 1816, a bill to amend the Federal Election Campaign Act of 1971 to provide meaningful campaign finance reform through requiring better reporting, decreasing the role of soft money, and increasing individual contribution limits, and for other purposes.

S. 1938

At the request of Mr. CRAIG, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 1938, a bill to provide for the return of fair and reasonable fees to the Federal Government for the use and occupancy of National Forest System

land under the recreation residence program, and for other purposes.

S. 2018

At the request of Mrs. HUTCHISON, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 2018, a bill to amend title XVIII of the Social Security Act to revise the update factor used in making payments to PPS hospitals under the medicare program.

S. 2045

At the request of Mr. HATCH, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 2045, a bill to amend the Immigration and Nationality Act with respect to H-1B nonimmigrant aliens.

S. 2068

At the request of Mr. GREGG, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 2068, a bill to prohibit the Federal Communications Commission from establishing rules authorizing the operation of new, low power FM radio stations.

S. 2083

At the request of Mr. ROBB, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 2083, a bill to amend the Internal Revenue Code of 1986 to provide a uniform dollar limitation for all types of transportation fringe benefits excludable from gross income, and for other purposes.

S. 2084

At the request of Mr. LUGAR, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 2084, a bill to amend the Internal Revenue Code of 1986 to increase the amount of the charitable deduction allowable for contributions of food inventory, and for other purposes.

S. 2308

At the request of Mr. MOYNIHAN, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 2308, a bill to amend title XIX of the Social Security Act to assure preservation of safety net hospitals through maintenance of the Medicaid disproportionate share hospital program.

S. 2311

At the request of Mr. KENNEDY, the names of the Senator from North Dakota (Mr. DORGAN) and the Senator from North Carolina (Mr. EDWARDS) were added as cosponsors of S. 2311, a bill to revise and extend the Ryan White CARE Act programs under title XXVI of the Public Health Service Act, to improve access to health care and the quality of health care under such programs, and to provide for the development of increased capacity to provide health care and related support services to individuals and families with HIV disease, and for other purposes.

S. 2330

At the request of Mr. ROTH, the name of the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S.