

CRAIG) and the Senator from Alaska (Mr. MURKOWSKI) were added as cosponsors of S. Res. 41, a resolution designating April 4, 2001, as “National Murder Awareness Day.”

S. RES. 43

At the request of Mr. MURKOWSKI, the names of the Senator from South Dakota (Mr. JOHNSON), the Senator from Maryland (Mr. SARBANES), and the Senator from Georgia (Mr. CLELAND) were added as cosponsors of S. Res. 43, a resolution expressing the sense of the Senate that the President should designate the week of March 18 through March 24, 2001, as “National Inhalants and Poisons Awareness Week.”

AMENDMENT NO. 51

At the request of Mr. FEINGOLD, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a co-sponsor of Amendment No. 51 proposed to S. 420, an original bill to amend title II, United States Code, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. FEINSTEIN:

S. 538. A bill to provide for infant crib safety, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mrs. FEINSTEIN. Mr. President, today, I am introducing legislation designed to eliminate injuries and deaths that result from crib accidents.

While there are strict guidelines on the manufacture and sale of new cribs, there are still 25 to 30 million unsafe cribs sold throughout the U.S. in “secondary markets,” such as thrift stores and resale furniture stores. These cribs should be taken off the market, and either made safe, or destroyed.

There are a number of reasons why unsafe cribs should be taken off the market.

Each year, at least 50 children ages two and under die from injuries sustained in cribs. That is almost one child a week.

The number of deaths from crib incidents exceeds deaths from all other nursery products combined.

Over 12,000 children are hospitalized each year as a result of injuries sustained in cribs.

To illustrate the need for this legislation, I want to share with you the story of Danny Lineweaver.

At the age of 23 months, Danny was injured during an attempt to climb out of his crib. Danny caught his shirt on a decorative knob on the cornerpost of his crib and hanged himself.

Though his mother was able to perform CPR the moment she found him, Danny lived in a semi-comatose state for nine years and died in 1993. This injury and subsequent death could have been prevented.

Since Danny’s accident, we have passed laws mandating safety standards for the manufacture of new cribs. But this is not enough.

There are nearly four million infants born in this country each year, but only one million new cribs sold. As many as half of all infants are placed in secondhand, hand-me-down, or heirloom cribs, cribs that are sold in thrift stores or resale furniture stores. These cribs may be unsafe, and may in fact threaten the life of the infants placed in them.

This legislation requires thrift stores and retail furniture stores to remove decorative knobs on the cornerposts of cribs before selling those cribs.

Additionally, the bill prohibits hotels and motels from providing unsafe cribs to guests, or risk being fined up to \$1,000.

The Infant Crib Safety Act makes the sale of used, unsafe cribs illegal. I hope my colleagues will join me in putting a stop to preventable injuries and deaths resulting from unsafe cribs.

By Mr. DEWINE (for himself, Mr. WARNER, Mr. LEVIN, Mr. MCCAIN, Mr. LIEBERMAN, Mr. HELMS, Mr. MILLER, Mr. HUTCHINSON, Mr. CLELAND, Mr. INHOFE, Ms. LANDRIEU, Mr. AL-LARD, Mr. ALLEN, Mr. COCHRAN, Ms. COLLINS, Mr. DURBIN, Mrs. HUTCHISON, Mr. INOUYE, Mr. JOHNSON, Mr. SHELBY, Mr. SMITH of New Hampshire, Mr. THURMOND, Mr. VOINOVICH, Mr. SESSIONS, and Mr. LOTT).

S. 540. A bill to amend the Internal Revenue Code of 1986 to allow as a deduction in determining adjusted gross income the deduction for expenses in connection with services as a member of a reserve component of the Armed Forces of the United States, to allow employers a credit against income tax with respect to employees who participate in the military reserve components, and to allow a comparable credit for participating reserve component self-employed individuals, and for other purposes; to the Committee on Finance.

Mr. DEWINE. Mr. President, I rise today to join my distinguished colleagues, including Senators WARNER, LEVIN, MCCAIN, LIEBERMAN, HELMS, MILLER, HUTCHINSON from Arkansas, CLELAND, INHOFE, and LANDRIEU, to introduce the “Reserve Component Tax Assistance Act of 2001.”

We are introducing this bill today because it represents one way we can help retain the brave men and women who serve in our military’s Guard and reserve components. Our bill would offer much-needed support for them and their families by restoring a tax deduction to our reservists for travel expenses incurred getting to and from duty assignments. The bill also would provide a tax credit to employers who support employees serving in the reserve component.

As my colleagues are well aware, the security of our nation hinges on all the men and women who serve in uniform, both active duty and reserves. That became very clear a decade ago, when

members of our active duty and reserve forces came together to drive Saddam Hussein and the Iraqi Republican Guard out of Kuwait. Operation Desert Storm was one of the largest and most successful military operations since the inception of the all-volunteer force of the early 1970’s. Its success was due in large part to the efforts of reserve component personnel. Since then, our reservists and Guardsmen and women have contributed in every U.S. military and humanitarian operation.

This increased reliance on our reserve personnel came at a time when U.S. military forces were downsizing in response to the “peace dividend” linked to the collapse of the Soviet Union and the fall of the Berlin Wall. Despite the end of the Cold War, the tempo of our military’s operations remains at a steady beat. In fact, the military’s dependence on our reservists and Guardsmen and women has remained at near Gulf War levels. The military has placed greater training and participation demands on our reservists, taking them away from family and civilian employment.

This increased demand does not occur without cost, particularly financial costs to our reserve military components and their full time employers. The bill we are introducing today is an attempt to provide some additional compensation for these dedicated men and women. It is a small step, but one that is necessary. I urge my colleagues to support our bill and demonstrate our commitment to supporting the proud and dedicated reservists, Guardsmen and women, and employers who play such a pivotal role in our national defense. I am pleased that this legislation already has the support of the Reserve Officers Association, the National Guard Association, the Military Coalition, and the U.S. Chamber of Commerce.

Mr. President, I ask unanimous consent that the full 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. 540

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 “Reserve Component Tax Assistance Act of 2001”.

SEC. 2. DEDUCTION OF CERTAIN EXPENSES OF MEMBERS OF THE RESERVE COMPONENT.

(a) DEDUCTION ALLOWED.—Section 162 of the Internal Revenue Code of 1986 (relating to certain trade or business expenses) is amended by redesignating subsection (p) as subsection (q) and inserting after subsection (o) the following new subsection:

“(p) TREATMENT OF EXPENSES OF MEMBERS OF RESERVE COMPONENT OF ARMED FORCES OF THE UNITED STATES.—For purposes of subsection (a), in the case of an individual who performs services as a member of a reserve component of the Armed Forces of the United States at any time during the taxable year, such individual shall be deemed to be away from home in the pursuit of a trade or

business during any period for which such individual is away from home in connection with such service.”.

(b) DEDUCTION ALLOWED WHETHER OR NOT TAXPAYER ELECTS TO ITEMIZE.—Section 62(a)(2) of the Internal Revenue Code of 1986 (relating to certain trade and business deductions of employees) is amended by adding at the end the following new subparagraph:

“(D) CERTAIN EXPENSES OF MEMBERS OF RESERVE COMPONENTS OF THE ARMED FORCES OF THE UNITED STATES.—The deductions allowed by section 162 which consist of expenses paid or incurred by the taxpayer in connection with the performance of services by such taxpayer as a member of a reserve component of the Armed Forces of the United States.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2001.

SEC. 3. CREDIT FOR EMPLOYMENT OF RESERVE COMPONENT PERSONNEL.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business-related credits) is amended by adding at the end the following new section:

“SEC. 45E. RESERVE COMPONENT EMPLOYMENT CREDIT.

“(a) GENERAL RULE.—For purposes of section 38, the reserve component employment credit determined under this section is an amount equal to the sum of—

“(1) the employment credit with respect to all qualified employees of the taxpayer, plus

“(2) the self-employment credit of a qualified self-employed taxpayer.

“(b) EMPLOYMENT CREDIT.—For purposes of this section—

“(1) IN GENERAL.—The employment credit with respect to a qualified employee of the taxpayer for any taxable year is equal to 50 percent of the amount of qualified compensation that would have been paid to the employee with respect to all periods during which the employee participates in qualified reserve component duty to the exclusion of normal employment duties, including time spent in a travel status had the employee not been participating in qualified reserve component duty. The employment credit, with respect to all qualified employees, is equal to the sum of the employment credits for each qualified employee under this subsection.

“(2) QUALIFIED COMPENSATION.—When used with respect to the compensation paid or that would have been paid to a qualified employee for any period during which the employee participates in qualified reserve component duty, the term ‘qualified compensation’ means compensation—

“(A) which is normally contingent on the employee’s presence for work and which would be deductible from the taxpayer’s gross income under section 162(a)(1) if the employee were present and receiving such compensation, and

“(B) which is not characterized by the taxpayer as vacation or holiday pay, or as sick leave or pay, or as any other form of pay for a nonspecific leave of absence, and with respect to which the number of days the employee participates in qualified reserve component duty does not result in any reduction in the amount of vacation time, sick leave, or other nonspecific leave previously credited to or earned by the employee.

“(3) QUALIFIED EMPLOYEE.—The term ‘qualified employee’ means a person who—

“(A) has been an employee of the taxpayer for the 21-day period immediately preceding the period during which the employee participates in qualified reserve component duty, and

“(B) is a member of the Ready Reserve of a reserve component of an Armed Force of the United States as defined in sections 10142 and 10101 of title 10, United States Code.

“(C) SELF-EMPLOYMENT CREDIT.

“(1) IN GENERAL.—The self-employment credit of a qualified self-employed taxpayer for any taxable year is equal to 50 percent of the excess, if any, of—

“(A) the self-employed taxpayer’s average daily self-employment income for the taxable year over

“(B) the average daily military pay and allowances received by the taxpayer during the taxable year, while participating in qualified reserve component duty to the exclusion of the taxpayer’s normal self-employment duties for the number of days the taxpayer participates in qualified reserve component duty during the taxable year, including time spent in a travel status.

“(2) AVERAGE DAILY SELF-EMPLOYMENT INCOME AND AVERAGE DAILY MILITARY PAY AND ALLOWANCES.—As used with respect to a self-employed taxpayer—

“(A) the term ‘average daily self-employment income’ means the self-employment income (as defined in section 1402) of the taxpayer for the taxable year divided by the difference between—

“(i) 365, and

“(ii) the number of days the taxpayer participates in qualified reserve component duty during the taxable year, including time spent in a travel status, and

“(B) the term ‘average daily military pay and allowances’ means—

“(i) the amount paid to the taxpayer during the taxable year as military pay and allowances on account of the taxpayer’s participation in qualified reserve component duty, divided by

“(ii) the total number of days the taxpayer participates in qualified reserve component duty, including time spent in travel status.

“(3) QUALIFIED SELF-EMPLOYED TAXPAYER.—The term ‘qualified self-employed taxpayer’ means a taxpayer who—

“(A) has net earnings from self-employment (as defined in section 1402) for the taxable year, and

“(B) is a member of the Ready Reserve of a reserve component of an Armed Force of the United States.

“(d) CREDIT IN ADDITION TO DEDUCTION.—The employment credit provided in this section is in addition to any deduction otherwise allowable with respect to compensation actually paid to a qualified employee during any period the employee participates in qualified reserve component duty to the exclusion of normal employment duties.

“(e) LIMITATIONS.—

“(1) MAXIMUM CREDIT.—

“(A) IN GENERAL.—The credit allowed by subsection (a) for the taxable year—

“(i) shall not exceed \$7,500 in the aggregate, and

“(ii) shall not exceed \$2,000 with respect to each qualified employee.

“(B) CONTROLLED GROUPS.—For purposes of applying the limitations in subparagraph (A)—

“(i) all members of a controlled group shall be treated as one taxpayer, and

“(ii) such limitations shall be allocated among the members of such group in such manner as the Secretary may prescribe.

For purposes of this subparagraph, all persons treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 414 shall be treated as members of a controlled group.

“(2) DISALLOWANCE FOR FAILURE TO COMPLY WITH EMPLOYMENT OR REEMPLOYMENT RIGHTS OF MEMBERS OF THE RESERVE COMPONENTS OF THE ARMED FORCES OF THE UNITED STATES.—

No credit shall be allowed under subsection (a) to a taxpayer for—

“(A) any taxable year in which the taxpayer is under a final order, judgment, or other process issued or required by a district court of the United States under section 4323 of title 38 of the United States Code with respect to a violation of chapter 43 of such title, and

“(B) the two succeeding taxable years.

“(3) DISALLOWANCE WITH RESPECT TO PERSONS ORDERED TO ACTIVE DUTY FOR TRAINING.—No credit shall be allowed under subsection (a) to a taxpayer with respect to any period for which the person on whose behalf the credit would otherwise be allowable is called or ordered to active duty for any of the following types of duty:

“(A) active duty for training under any provision of title 10, United States Code,

“(B) training at encampments, maneuvers, outdoor target practice, or other exercises under chapter 5 of title 32, United States Code, or

“(C) full-time National Guard duty, as defined in section 101(d)(5) of title 10, United States Code.

“(F) GENERAL DEFINITIONS AND SPECIAL RULES.—

“(1) MILITARY PAY AND ALLOWANCES.—The term ‘military pay’ means pay as that term is defined in section 101(21) of title 37, United States Code, and the term ‘allowances’ means the allowances payable to a member of the Armed Forces of the United States under chapter 7 of that title.

“(2) QUALIFIED RESERVE COMPONENT DUTY.—The term ‘qualified reserve component duty’ includes only active duty performed, as designated in the reservist’s military orders, in support of a contingency operation as defined in section 101(a)(13) of title 10, United States Code.

“(3) NORMAL EMPLOYMENT AND SELF-EMPLOYMENT DUTIES.—A person shall be deemed to be participating in qualified reserve component duty to the exclusion of normal employment or self-employment duties if the person does not engage in or undertake any substantial activity related to the person’s normal employment or self-employment duties while participating in qualified reserve component duty unless in an authorized leave status or other authorized absence from military duties. If a person engages in or undertakes any substantial activity related to the person’s normal employment or self-employment duties at any time while participating in a period of qualified reserve component duty, unless during a period of authorized leave or other authorized absence from military duties, the person shall be deemed to have engaged in or undertaken such activity for the entire period of qualified reserve component duty.

“(4) CERTAIN RULES TO APPLY.—Rules similar to the rules of subsections (c), (d), and (e) of section 52 shall apply for purposes of this section.”.

(b) CONFORMING AMENDMENT.—Section 38(b) of the Internal Revenue Code of 1986 (relating to general business credit) is amended—

(1) by striking “plus” at the end of paragraph (12),

(2) by striking the period at the end of paragraph (13) and inserting “; plus”, and

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

“(14) the reserve component employment credit determined under section 45E(a).”.

(c) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 45D the following new item:

“Sec. 45E. Reserve component employment credit.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

By Mr. COCHRAN:

S. 541. A bill to improve foreign language instruction; to the Committee on Health, Education, Labor, and Pensions.

Mr. COCHRAN. Mr. President, today I am introducing The Foreign Language Acquisition and Proficiency Improvement Act of 2001. It is a bill which makes changes in the Elementary and Secondary Education Act that encourage and make possible the teaching of a second language to students in elementary and secondary schools, in particular, those schools heavily impacted by the unique problems of educating a high population of disadvantaged students.

My bill also provides schools an incentive to initiate foreign language programs, promotes technology, distance learning, and other innovative activities in the effective instruction of a foreign language.

According to the Center for Applied Linguistics in Washington, D.C., the early study of a second language offers many benefits for students: academic achievement, positive attitudes toward diversity; flexibility in thinking; sensitivity to language; and a better ear for listening and pronunciation. Foreign language study also improves children's understanding of their native language, increases creativity, helps students get better SAT scores, and increases their job opportunities.

The evidence shows that children who learn foreign languages score higher in all academic subjects than those who speak only English. Most developed countries recognize this and, according to the National Foreign Language Center, the United States is alone in not teaching foreign languages routinely before the age of twelve.

In 1999, the Center for Applied Linguistics released the results of a U.S. Department of Education funded survey of foreign language teaching in preschool through twelfth grade in the United States. The results show a rising awareness and increase in the teaching of foreign languages, but in the 31 percent of elementary schools that offered foreign language instruction, only 21 percent had proficiency as the goal of the program. Among the most frequently cited problems facing foreign language programs were inadequate funding, inadequate in-service teacher training, teacher shortages and a lack of sequencing from elementary to secondary school.

This survey is a good snapshot of the state of the teaching of foreign languages K-12 in our country. It can be read as encouraging: that we know we should be teaching languages earlier; that more schools are attempting to teach foreign languages; and, that more languages are being taught. It also clearly shows where we need improvement: that we need to show accomplishment in teaching our students

foreign languages; that more schools need to have the resources to offer the necessary course work for attaining this skill; and, that foreign languages should be a priority.

The picture hasn't changed dramatically in the last two years.

Last year, I chaired hearings of the Governmental Affairs Subcommittee on International Security, Proliferation, and Federal Services which examined the relationship between foreign language preparedness and national security.

These are some of the things we learned about foreign language learning at those hearings:

The most attainable skill students can acquire for likely college admission is foreign language proficiency;

The best predictor of foreign language proficiency in college is previous foreign language training, even if in another language;

There are not enough foreign language teachers. For example, Fairfax County, Virginia schools have an agreement with the Education Ministry in Spain, which provided at least five Spanish language teachers last year. In Mississippi, it is not unusual to be taught French or German by distance learning, using live video transmission in classrooms around the state.

The earlier one begins to learn any language, the quicker he or she will become proficient and sound like a native speaker.

And, as to how foreign language acquisition relates to national security, it was clear from the testimony of representatives from the CIA, FBI, Department of Defense, and the State Department, that:

There is a continuing need for highly proficient speakers of many languages for surveillance, reconnaissance, negotiations and other defense and intelligence gathering activities;

The federal government spends up to \$70,000 to train one person in a language as common as Spanish;

Recruiting for language specialists includes attracting current teachers;

Language learning, especially in sensitive government positions, best includes experience in the mother tongue country. This enhances cultural understanding, colloquialisms and other language usage that cannot be approximated in a classroom.

Another fact is that America's businesses need foreign language speakers. According to a USA TODAY survey, top executives cited foreign language skills twice as great as any other skill in demand.

The National Foreign Language Center published a 1999 report titled, Language and National Security for the 21st Century: The Federal Role in Supporting National Language Capacity. This report is very compelling in its review of the need for military and civilian personnel with foreign language capability. It explains that the language training business is estimated to be \$20

billion internationally. That is money spent by our government, our businesses and individuals to teach adults a skill essential in the global relationships of industry, diplomacy, defense, and higher education.

The evidence of need is great, and yet there is a lack of sufficient foreign language training at the K-12 level. We have one program in the Elementary and Secondary Education Act aimed at providing incentives and giving grants to schools for this purpose.

I am happy that we've been successful in raising the funding for this program from \$5 million in 1998 to \$14 million in FY 2001. However, the section of this law providing grants to schools that already offer foreign language instruction programs has never been funded. A frustrating aspect of this good program is that the schools in the most need of the assistance can't afford the ante. My amendments establish a 50 percent set-aside for schools serving the most disadvantaged students, and eliminates the matching share requirement for those schools. This bill also increases the annual authorization for the program from \$55,000,000 to \$75,000,000.

I hope that we will give greater attention to this program when we make funding decisions, so that schools without the advantages of plentiful resources can provide their students with a high quality and competitive education.

The Foreign Language Acquisition and Proficiency Improvement Act will provide new opportunities and encouragement to our school children, teachers, and parents, so we can better meet our global business challenges and national security needs.

By Mr. DODD.

S. 542. A bill to amend the Harmonized Tariff Schedule of the United States to provide separate subheadings for hair clippers used for animals; to the Committee on Finance.

Mr. DODD. Mr. President, I rise to introduce legislation that would make a simple correction to our Harmonized Tariff Schedule creating a separate subheading for hair clippers used for animals.

The United States has been engaged in an on-going dispute with the European Union, EU, over the EU's refusal to import hormone-treated beef from the U.S. In reaction to the EU's failure to comply with a WTO ruling that found that this ban on treated beef has been harmful to the U.S. economy, the United States Trade Representative issued a list of products on which retaliatory duties of 100 percent would be levied. Pursuant to Section 407 of the Trade and Development Act of 2000, the products designated for retaliatory duties must be related to the industries that are affected by the EU's non-compliance with the WTO decision.

One of the many products included on the Trade Representative's list is hair clippers. However, no distinction

is made between those clippers used for animals and those used for humans, specifically, beard trimmers. Since both types of clippers are grouped within the same subheading under the Harmonized Tariff Schedule, human beard trimmers could potentially be subject to 100 percent duties. Yet, the personal care industry and beard trimmers have no relationship to the current beef-hormone dispute as is required by Section 407.

In an effort to prevent this inadvertent application of duties on beard trimmers, the bill I am introducing would provide a separate subheading for clippers used by animals. I believe that this simple clarification will ensure the fair application of our trade laws and provide safeguards to U.S. companies and consumers from the unintended consequences resulting from these types of trade disputes. I hope my colleagues will join me in supporting this legislation.

By Mr. DOMENICI (for himself, Mr. WELLSTONE, Mr. SPECTER, Mr. KENNEDY, Mr. CHAFEE, Mr. DODD, Mr. COCHRAN, Mr. REED, Mr. REID, Mr. WARNER, Mr. GRASSLEY, Mr. ROBERTS, Mr. DURBIN, and Mr. JOHNSON):

S. 543. A bill to provide for equal coverage of mental health benefits with respect to health insurance coverage unless comparable limitations are imposed on medical and surgical benefits; to the Committee on Health, Education, Labor, and Pensions.

Mr. DOMENICI. Mr. President, I rise today with great pleasure and excitement to introduce the "Mental Health Equitable Treatment Act of 2001." I would also like to thank Senator WELLSTONE for once again joining me to cosponsor this important piece of legislation.

The human brain is the organ of the mind and just like the other organs of our body, it is subject to illness.

And just as we must treat illnesses to our other organs, we must also treat illnesses of the brain.

Building upon that, I would ask the following question: what if thirty years ago our nation had decided to exclude heart disease from health insurance coverage?

Think about some of the wonderful things we would not be doing today like angioplasty, bypasses, and valve replacements and the millions of people helped because insurance covers these procedures.

I would submit these medical advances have occurred because insurance dollars have followed the patient through the health care system. The presence of insurance dollars has provided an enticing incentive to treat those individuals suffering from heart disease.

But sadly, those suffering from a mental illness do not enjoy those same benefits of treatment and medical advances because all too often insurance discriminates against illnesses of the brain.

Individuals suffering from a mental illness face this discrimination even though medical science is in an era where we can accurately diagnose mental illnesses and treat those afflicted so they can be productive.

I simply do not understand, why with this evidence would we not cover these individuals and treat their illnesses like any other disease?

There simply should not be a difference in the coverage provided by insurance companies for mental health benefits and medical benefits, merely because an individual suffers from a mental illness.

The introduction of our Bill marks a historic opportunity for us to take the next step towards mental health parity. The timing of our Bill is even more important because the landmark Mental Health Parity Act of 1996 will sunset on September 30 of this year.

As my colleagues know, this is an issue I have a long involvement with and I would like to begin with a few observations.

I believe that we have made great strides in providing parity for the coverage of mental illness. However, mental illness continues to exact a heavy toll on many, many lives.

Even though we know so much more about mental illness, it can still bring devastating consequences to those it touches; their families, their friends, and their loved ones. These individuals and families not only deal with the societal prejudices and suspicions hanging on from the past, but they also must contend with unequal insurance coverage.

I would submit the Mental Health Parity Act of 1996 is a good first start, but the Act is also not working. While there may adherence to the letter of the law, there are certainly violations of the spirit of the law. For instance, ways are being found around the law by placing limits on the number of covered hospital days and outpatient visits.

That is why I believe it is time for a change.

Some will immediately say we cannot afford it or that inclusion of this treatment will cost too much. But, I would first direct them to the results of the Mental Health Parity Act of 1996. That law contains a provision allowing companies to no longer comply if their costs increase by more than one percent.

And do you know how many companies have opted out because their costs have increased by more than one percent? Less than ten companies throughout our entire country.

With that in mind I would like to share a couple of facts about mental illness with my colleagues:

Within the developed world, including the United States, 4 of the 10 leading causes of disability for individuals over the age of five are mental disorders.

In the order of prevalence the disorders are major depression, schizo-

phrenia, bipolar disorder, and obsessive compulsive disorder.

Disability always has a cost and the direct cost to the United States per year for respiratory disease is \$99 billion, cardiovascular disease is \$160 billion, and finally \$148 billion for mental illness.

One in every five people, more than 40 million adults, in this Nation will be afflicted by some type of mental illness.

Nearly 7.5 million children and adolescents, or 12 percent, suffer from one or more mental disorders.

Schizophrenia alone is 50 times more common than cystic fibrosis, 60 times more common than muscular dystrophy and will strike between 2 and 3 million Americans.

Let us also look at the efficacy of treatment for individuals suffering from certain mental illnesses, especially when compared with the success rates of treatments for other physical ailments. For a long time, many who are in this field, especially on the insurance side, have behaved as if you get far better results for angioplasty than you do for treatments for bipolar illness.

Treatment for bipolar disorders, that is, those disorders characterized by extreme lows and extreme highs, have an 80 percent success rate if you get treatment, both medicine and care. Schizophrenia, the most dreaded of mental illnesses, has a 60-percent success rate in the United States today if treated properly. Major depression has a 65 percent success rate.

Lets compare those success rates to several important surgical procedures that everybody thinks we ought to be doing:

Angioplasty has a 41-percent success rate.

Atherectomy has a 52-percent success rate.

I would now like to take a minute to discuss the Mental Health Equitable Treatment Act of 2001. The Bill seeks a very simple goal: provide the same mental health benefits already enjoyed by Federal employees.

The Bill is modeled after the mental health benefits provided through the Federal Employees Health Benefits Program, FEHBP, and expands the Mental Health Parity Act of 1996 to prohibit a group health plan from imposing treatment limitations or financial requirements on the coverage of mental health benefits unless comparable limitations are imposed on medical and surgical benefits.

Our Bill provides full parity for all categories of mental health conditions listed in the Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition, DSM IV, with coverage being contingent on the mental health condition being included in an authorized treatment plan, the treatment plan is in accordance with standard protocols, and the treatment plan meets medical necessity determination criteria.

Like the Mental Health Parity Act of 1996, the Bill does not require a health

plan to provide coverage for alcohol and substance abuse benefits. Moreover, the Bill does not mandate the coverage of mental health benefits, rather the Bill only applies if the plan already provides coverage for mental health benefits.

In conclusion, the Bill provides mental health benefits on par with those already enjoyed by Federal employees and I would urge my colleagues to support this important piece of legislation.

I ask unanimous consent that the text of the bill and a summary of the bill be printed in the RECORD.

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

S. 543

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 "Mental Health Equitable Treatment Act of 2001".

SEC. 2. AMENDMENT TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

(a) IN GENERAL.—Section 712 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185a) is amended to read as follows:

"SEC. 712. MENTAL HEALTH PARITY.

"(a) IN GENERAL.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both medical and surgical benefits and mental health benefits, such plan or coverage shall not impose any treatment limitations or financial requirements with respect to the coverage of benefits for mental illnesses unless comparable treatment limitations or financial requirements are imposed on medical and surgical benefits.

"(b) CONSTRUCTION.—Nothing in this section shall be construed as requiring a group health plan (or health insurance coverage offered in connection with such a plan) to provide any mental health benefits.

"(c) SMALL EMPLOYER EXEMPTION.

"(1) IN GENERAL.—This section shall not apply to any group health plan (and group health insurance coverage offered in connection with a group health plan) for any plan year of any employer who employed an average of at least 2 but not more than 25 employees on business days during the preceding calendar year.

"(2) APPLICATION OF CERTAIN RULES IN DETERMINATION OF EMPLOYER SIZE.—For purposes of this subsection—

"(A) APPLICATION OF AGGREGATION RULE FOR EMPLOYERS.—Rules similar to the rules under subsections (b), (c), (m), and (o) of section 414 of the Internal Revenue Code of 1986 shall apply for purposes of treating persons as a single employer.

"(B) EMPLOYERS NOT IN EXISTENCE IN PRECEDING YEAR.—In the case of an employer which was not in existence throughout the preceding calendar year, the determination of whether such employer is a small employer shall be based on the average number of employees that it is reasonably expected such employer will employ on business days in the current calendar year.

"(C) PREDECESSORS.—Any reference in this paragraph to an employer shall include a reference to any predecessor of such employer.

"(d) SEPARATE APPLICATION TO EACH OPTION OFFERED.—In the case of a group health plan that offers a participant or beneficiary two or more benefit package options under

the plan, the requirements of this section shall be applied separately with respect to each such option.

"(e) DEFINITIONS.—For purposes of this section—

"(1) FINANCIAL REQUIREMENTS.—The term 'financial requirements' includes deductibles, coinsurance, co-payments, other cost sharing, and limitations on the total amount that may be paid with respect to benefits under the plan or health insurance coverage with respect to an individual or other coverage unit (including annual and lifetime limits).

"(2) MEDICAL OR SURGICAL BENEFITS.—The term 'medical or surgical benefits' means benefits with respect to medical or surgical services, as defined under the terms of the plan or coverage (as the case may be), but does not include mental health benefits.

"(3) MENTAL HEALTH BENEFITS.—The term 'mental health benefits' means benefits with respect to services for all categories of mental health conditions listed in the Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition (DSM IV-TR), or the most recent edition if different than the Fourth Edition, as defined under the terms of the plan or coverage (as the case may be), if such services are included as part of an authorized treatment plan that is in accordance with standard protocols and such services meet applicable medical necessity criteria, but does not include benefits with respect to the treatment of substance abuse or chemical dependency.

"(4) TREATMENT LIMITATIONS.—The term 'treatment limitations' means limitations on the frequency of treatment, number of visits or days of coverage, or other limits on the duration or scope of treatment under the plan or coverage."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to plan years beginning on or after January 1, 2002.

SEC. 3. AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT RELATING TO THE GROUP MARKET.

(a) IN GENERAL.—Section 2705 of the Public Health Service Act (42 U.S.C. 300gg-5) is amended to read as follows:

"SEC. 2705. MENTAL HEALTH PARITY.

"(a) IN GENERAL.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both medical and surgical benefits and mental health benefits, such plan or coverage shall not impose any treatment limitations or financial requirements with respect to the coverage of benefits for mental illnesses unless comparable treatment limitations or financial requirements are imposed on medical and surgical benefits.

"(b) CONSTRUCTION.—Nothing in this section shall be construed as requiring a group health plan (or health insurance coverage offered in connection with such a plan) to provide any mental health benefits.

"(c) SMALL EMPLOYER EXEMPTION.

"(1) IN GENERAL.—This section shall not apply to any group health plan (and group health insurance coverage offered in connection with a group health plan) for any plan year of any employer who employed an average of at least 2 but not more than 25 employees on business days during the preceding calendar year.

"(2) APPLICATION OF CERTAIN RULES IN DETERMINATION OF EMPLOYER SIZE.—For purposes of this subsection—

"(A) APPLICATION OF AGGREGATION RULE FOR EMPLOYERS.—Rules similar to the rules under subsections (b), (c), (m), and (o) of section 414 of the Internal Revenue Code of 1986 shall apply for purposes of treating persons as a single employer.

"(B) EMPLOYERS NOT IN EXISTENCE IN PRECEDING YEAR.—In the case of an employer which was not in existence throughout the preceding calendar year, the determination of whether such employer is a small employer shall be based on the average number of employees that it is reasonably expected such employer will employ on business days in the current calendar year.

"(C) PREDECESSORS.—Any reference in this paragraph to an employer shall include a reference to any predecessor of such employer.

"(d) SEPARATE APPLICATION TO EACH OPTION OFFERED.—In the case of a group health plan that offers a participant or beneficiary two or more benefit package options under the plan, the requirements of this section shall be applied separately with respect to each such option.

"(e) DEFINITIONS.—For purposes of this section—

"(1) FINANCIAL REQUIREMENTS.—The term 'financial requirements' includes deductibles, coinsurance, co-payments, other cost sharing, and limitations on the total amount that may be paid with respect to benefits under the plan or health insurance coverage with respect to an individual or other coverage unit (including annual and lifetime limits).

"(2) MEDICAL OR SURGICAL BENEFITS.—The term 'medical or surgical benefits' means benefits with respect to medical or surgical services, as defined under the terms of the plan or coverage (as the case may be), but does not include mental health benefits.

"(3) MENTAL HEALTH BENEFITS.—The term 'mental health benefits' means benefits with respect to services for all categories of mental health conditions listed in the Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition (DSM IV), or the most recent edition if different than the Fourth Edition, as defined under the terms of the plan or coverage (as the case may be), if such services are included as part of an authorized treatment plan that is in accordance with standard protocols and such services meet applicable medical necessity criteria, but does not include benefits with respect to the treatment of substance abuse or chemical dependency.

"(4) TREATMENT LIMITATIONS.—The term 'treatment limitations' means limitations on the frequency of treatment, number of visits or days of coverage, or other limits on the duration or scope of treatment under the plan or coverage."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to plan years beginning on or after January 1, 2002.

SEC. 4. PREEMPTION.

Nothing in the amendments made by this Act shall be construed to preempt any provision of State law that provides protections to enrollees that are greater than the protections provided under such amendments.

SEC. 5. GENERAL ACCOUNTING OFFICE STUDY.

(a) STUDY.—The Comptroller General shall conduct a study that evaluates the effect of the implementation of the amendments made by this Act on the cost of health insurance coverage, access to health insurance coverage (including the availability of in-network providers), the quality of health care, and other issues as determined appropriate by the Comptroller General.

(b) REPORT.—Not later than 2 years after the date of enactment of this Act, the Comptroller General shall prepare and submit to the appropriate committees of Congress a report containing the results of the study conducted under subsection (a).

MENTAL HEALTH EQUITABLE TREATMENT ACT OF 2001—SUMMARY

The Bill seeks to ensure greater parity in the coverage of mental health benefits by prohibiting a group health plan from treating mental health benefits differently from the coverage of medical and surgical benefits.

The Bill only applies to group health plans already providing mental health benefits and is modeled after the mental health benefits provided through the Federal Employees Health Benefits Program (FEHEBP).

FULL PARITY FOR ALL MENTAL ILLNESSES

Expands the Mental Health Parity Act of 1996 (MHPA) to prohibit a group health plan from imposing treatment limitations or financial requirements on the coverage of mental health benefits unless comparable limitations are imposed on medical and surgical benefits.

Provides full parity for all categories of mental health conditions listed in the "Diagnostic and Statistical Manual of Mental Disorders," 4th Edition (DSM IV-TR).

Coverage is also contingent on the mental health condition being included in an authorized treatment plan, the treatment plan is in accordance with standard protocols, and the treatment plan meets medical necessity determination criteria.

Defines "treatment limitations" as limits on the frequency of treatment, the number of visits, the number of covered hospital days, or other limits on the scope and duration of treatment and defines "financial requirements" to include deductibles, coinsurance, co-payments, and catastrophic maximums.

REQUIREMENTS AND EXEMPTIONS

Eliminates the September 30, 2001 sunset provision in the MHPA.

Like the MHPA the bill does not require plans to provide coverage for benefits relating to alcohol and drug abuse.

There is a small business exemption for companies with 25 or fewer employees.

Mr. WELLSTONE. Mr. President, I am pleased today to join my colleague from New Mexico once again to introduce a bill for fairness in health coverage for those with mental illness. The Mental Health Equitable Treatment Act of 2001 will take the critical next steps to ensure that private health insurance companies provide the same level of coverage for mental illness as they do for other diseases. This bill will be a major step toward ending the discrimination against people who suffer from mental illness.

In 1996, I was proud to introduce the Mental Health Parity Act, a law which broke new ground, placing mental health alongside other medical and surgical coverage for parity in insurance coverage. Although the 1996 bill was limited to parity in annual and lifetime limits in care, the message was clear: there is no place for discrimination against those with mental illness. Since the Mental Health Parity Act became law, we have seen that the costs have remained low and manageable, but, unfortunately, we have also seen that employers and insurance companies have taken advantage of the gaps that remain in coverage for mental illness. Patients have faced increases in copayment and deductible costs, more problems in gaining access to care, fewer approvals for hospital stays and

outpatient days, and refusals to cover care. The suffering of people with mental illness has grown, and the time to end this discrimination is now.

For too long, mental illness has been stigmatized as a character flaw, rather than as the serious disease that it is. As a result, people with mental illness are often ashamed and afraid to seek treatment, for fear that they will lose their jobs or friends; for fear that people will not recognize the suffering that they endure; for fear that they will not be able to receive help. We have all seen portrayals of mentally ill people as somehow different, as dangerous, or as frightening. Such stereotypes only reinforce the biases against people with mental illness. Can you imagine this type of portrayal of someone who has a cardiac problem, or who happens to carry a gene that predisposes them to diabetes? And yet, we have all known someone with a serious mental illness, within our families or our circle of friends, or in public life. Many people have courageously come forward to speak about their personal experiences with their illness, to help us all understand better the effects of this illness on a person's life, the ways in which effective treatments have helped them, or, sadly, the ways in which a loved one died through suicide as a result of untreated mental illness. I commend those who speak out on this issue, for their honesty and courage to come forward about their experiences, to help the world to understand the reality of this disease.

The statistics concerning mental illness, and the state of health care coverage for adults and children with this disease are startling, and disturbing. A watershed in our understanding of the impact of mental disorders is the 1996 Global Burden of Disease, GBD, study, conducted for the World Bank and World Health Organization by experts at Harvard University. The GBD defined a very useful concept, called the Disability Adjusted Life Year, DALY, which refers to healthy years of life lost to either disability or premature mortality. Based on this measure of disease burden, mental disorders—which are prevalent worldwide, often begin early in life, and frequently are characterized by recurrent episodes, as in depression, or chronicity, as in schizophrenia, produce a disproportionate share of DALYs, much of which is due to the disabling nature of mental illness. According to the GBD study, in the U.S. and throughout the developed world, depression is the leading cause of disability, and three other mental disorders are among the top ten causes of disability, bipolar disorder, schizophrenia, and obsessive-compulsive disorder.

The National Institute of Mental Health, a NIH research institute within the U.S. Department of Health and Human Services, describes serious depression as an extremely critical public health problem. More than 18 million people in the United States will suffer

from a depressive illness this year, and many will be unnecessarily incapacitated for weeks or months, because their illness goes untreated. The cost to the nation is in the billions of dollars. The suffering of depressed people and their families is immeasurable.

The situation is worse for children. The 1998 Surgeon General's Report on Mental Health estimates that between 5 and 9 percent of those under age 18 have mental disorders so severe that they face overwhelming difficulties in their efforts to function well with their families, friends, and teachers. For children, mental illness carries a double burden: both the suffering of the disorder itself, as well as the lost period of healthy learning and social development needed to help children live up to their potential. The recent tragic episodes of violence in our schools remind us that inadequately treated emotional and behavioral disorders in our children can literally have lethal consequences in terms of suicide and murder.

Our investment in mental health research is paying off well. We know so much more now about brain disease, behavioral and emotional disorders, and treatment. But without access to care, such treatments cannot help those who are suffering from mental illness. We know from NIH-funded research that available medications and psychological treatments, alone or in combination, can help 80 percent of those with depression. But without adequate treatment, future episodes of depression may continue or worsen in severity. Yet, the steady decline in the quality and breadth of health care coverage is truly disturbing.

The inequities related to the status of mental disorders in health insurance is indisputable. The U.S. General Accounting Office issued a report in May, 2000, that verified that despite passage of the 1996 mental health parity law, 14 percent of employers failed to comply with even the limited protections required by that law. Of the 86 percent that did comply, most (87%) continued to limit their mental health benefits, thus violating the spirit, if not the letter, of the law. In other words, the majority of employers who claim to provide mental health benefits restrict actual care through limitations on coverage or access, or by increasing the cost to the patient. And they do this despite the fact that costs are low. According to most reports on parity, including the most recent analysis requested by Congress from the National Advisory Mental Health Council, when mental health coverage is managed appropriately, premium increases can be as low as 1 percent.

Yet inequities in coverage continue, despite the 1996 law and the numerous state laws that have tried without success to finally put an end to this health care discrimination. The discrimination continues despite the fact that there is no biomedical justification for differentiating serious mental illness

from other serious and potentially chronic disorders, nor for judging mental disorders to be in any way less real or less deserving of treatment. What does exist and continues to grow is an extensive body of rigorous research that has demonstrated that treatment for mental disorders is both precise and cost-effective.

Although the costs for coverage have been shown to be low, the consequences of untreated mental illness in our society are very serious and far-reaching—especially when one looks at how it affects individuals, families, employers, corporations, social service systems, and criminal justice systems. I have seen first hand in the juvenile corrections system what happens when mental illness is criminalized, when youth with mental illness are incarcerated for exhibiting symptoms of their illness. To treat ill people as criminals is outrageous and immoral. We must make treatment for this illness as available and as routine as treatment for any other disease. The discrimination must stop.

The Mental Health Equitable Treatment Act of 2001 is modeled after the Federal Employees Health Benefit Plan, and provides full parity for all categories of mental health conditions. Group health plans would be prohibited from imposing treatment limitations, including restricting numbers of visits or covered hospital days, or financial requirements, such as higher copayments, that are different from other medical/surgical benefits. This bill is a major step forward in coverage for mental illness by private health insurers. It does not require that mental health benefits be part of a health benefits package, but establishes a requirement for parity in coverage for those plans that offer mental health benefits. This bill goes a long way toward our bipartisan goal: that mental illness be treated like any other disease in health care coverage.

The Mental Health Equitable Treatment Act of 2001 is designed to take a large step toward ending the suffering of those with mental illness who have been unfairly discriminated against in their health coverage. The time to pass this bill is now.

Mr. KENNEDY. Mr. President, I am pleased today to join Senator DOMENICI and Senator WELLSTONE in introducing the Mental Health Equitable Treatment Act of 2001. This Act is an important step in the fight to end the stigma against mental illness and ensure that those suffering from mental illness receive the services they need. For too long, individuals with mental disorders have faced unfair treatment restrictions and paid more for the services they need than have individuals requiring medical or surgical services.

The groundbreaking report on mental health that the Surgeon General released last year reveals that disproportionate cost-sharing requirements and treatment limitations “reduce appropriate use, of mental health services,”

and “leave people to bear catastrophic costs themselves.”

The Mental Health Equitable Treatment Act aims to halt these troubling trends by ensuring that group health plans treat mental health benefits the same way they do medical and surgical benefits.

In 1996, we enacted the Mental Health Parity Act. While this important legislation made progress in advancing the fair treatment of individuals with mental illness, it did not go far enough in providing true protection for all people suffering from mental disorders.

The Mental Health Equitable Treatment Act of 2001 improves upon this earlier legislation by providing full parity for a broad range of mental health disorders. Under the Act, group health plans must limit the treatment restrictions and financial requirements that they impose for mental health benefits to the same level that they set for medical or surgical benefits. Copayments for office visits must be comparable, for example, regardless of whether the office is a physician’s or a psychiatrist’s. While the Act does not apply to group health plans that do not provide any mental health benefits or that have 25 employees or less, it is a critical step in ending the blatant discrimination that people with mental disorders face in trying to obtain necessary and affordable treatment.

As we have learned more about the brain and the way it works, we have developed promising treatments that can significantly improve the health of individuals with mental illness and help them lead productive lives. Success rates for treating mental illnesses are now as high as 80 percent. Without strong parity legislation, however, these effective treatments will remain elusive for the millions of individuals who need them.

The Mental Health Equitable Treatment Act will finally help these individuals receive the care they need by eliminating one of the biggest barriers to care, cost. I strongly encourage my colleagues to support this groundbreaking piece of legislation.

By Mr. BURNS (for himself, Mr. BOND, Mr. CRAIG, and Mr. THOMAS):

S. 544. A bill to amend the Federal Meat Inspection Act to provide that a quality grade label issued by the Secretary of Agriculture may not be used for imported meat food products; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. BURNS. Mr. President, I rise today to sponsor a bill on an issue of great importance to my state and to the entire livestock industry. The subject is that of restricting the quality USDA Grade Stamp to only U.S. livestock products. It would prohibit foreign meat from coming into America and unfairly receiving the USDA Grade Stamp.

This language offered today, will insure that all meat products imported

from foreign countries will not be allowed to use the USDA Grade. For years, other countries have used the USDA Grade Stamp to their advantage, and to the disadvantage of our own producers. Historically, Canada and Mexico have shipped livestock into the United States, and by doing so they have reaped the benefits of the premium given by USDA for our labeled grades.

USDA Prime and USDA Choice grades are given a premium price in the marketplace. By allowing foreign countries to compete using our grade labels, American livestock producers are effectively prevented from receiving a premium for something that should belong solely to them.

Agricultural producers from across our borders ship livestock to the United States, and feed them for a short period of time in order to bypass current restrictions. The animals are then slaughtered here as a United States product. This is not only unfair, but it is a betrayal of trust that our producers have placed in the system. It is one that American producers should not have to tolerate. My bill provides for a 90 day feeding period to prevent this from happening, yet maintains the profits lightweight cattle from foreign countries bring to American feeders.

The huge influx of imports from both Canada and Mexico, that American agricultural producers are currently faced with, has provided an added hardship to the agricultural economy. This is one obstacle that could easily be remedied by this legislation.

When consumers see the USDA Grade Stamp on meat, most assume that they are buying a U.S. raised product. Even though imported carcasses are required to have a “foreign origin mark,” it is trimmed off prior to retail sales for marketing purposes. This is very misleading for our consumers.

This bill will protect both the American producer and the American consumer. If the Grade Stamp is reserved exclusively for U.S. products, we eliminate the disadvantage American producers face in competing with imported meats. We would also be ensuring that American consumers know that the meat they purchase, is the top quality American product they have always assumed they were buying. Producers and consumers alike deserve to know that the USDA grade label really means what it says, produced in the U.S.

This bill would also help assure the American consumer that the meat they are eating is disease free, something that our friends in Europe are truly concerned about right now.

I am proud and pleased to sponsor this bill, and I look forward to moving it through the process so we may insure that Americans truly have the opportunity to use what is theirs and theirs alone, the USDA Grade.

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. 544

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 “USDA Grade Recission Act of 2001”.

SEC. 2. QUALITY GRADE LABELING OF IMPORTED MEAT AND MEAT FOOD PRODUCTS.

Section 1(n) of the Federal Meat Inspection Act (21 U.S.C. 601(n)) is amended—

(1) in paragraph (11), by striking “or” at the end;

(2) in paragraph (12), by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(13) if it is an imported carcass, part thereof, meat, or meat food product (including any carcass, part thereof, meat, or meat food product produced from any cattle, sheep, or goats that have not been fed in the United States for at least 90 days) and bears a label that indicates a quality grade issued by the Secretary.”

By Mr. FRIST:

S. 545. A bill to amend the Internal Revenue Code of 1986 to extend the work opportunity credit to small business employees working or living in areas of poverty; to the Committee on Finance

Mr. FRIST. 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. 545

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

SECTION 1. EXPANSION OF WORK OPPORTUNITY TAX CREDIT.

(a) IN GENERAL.—Section 51(d)(1) of the Internal Revenue Code of 1986 (relating to members of targeted groups) is amended by striking “or” at the end of subparagraph (G), by striking the period at the end of subparagraph (H) and inserting “, or”, and by adding at the end the following:

“(I) a qualified small business employee.”

(b) QUALIFIED SMALL BUSINESS EMPLOYEE.—Section 51(d) of the Internal Revenue Code of 1986 is amended by redesignating paragraphs (10) through (12) as paragraphs (11) through (13), respectively, and by inserting after paragraph (9) the following:

“(10) QUALIFIED SMALL BUSINESS EMPLOYEE.—

“(A) IN GENERAL.—The term ‘qualified small business employee’ means any individual—

“(i) hired by a qualified small business located in a population census tract with a poverty rate not less than 20 percent, or

“(ii) hired by a qualified small business and who is certified by the designated local agency as residing in such a population census tract.

“(B) QUALIFIED SMALL BUSINESS.—The term ‘qualified small business’ has the meaning given the term ‘small employer’ by section 4980D(d)(2).

“(C) USE OF CENSUS DATA.—The poverty rate for any population census tract shall be determined by the most recent decennial census data available.”.

(c) REPORT.—The Secretary of the Treasury shall report to the Committee on Ways and Means of the House of Representatives

and the Committee on Finance of the Senate on the date which is 18 months after the date of enactment of this Act on the effect of the expansion of the work opportunity credit under section 51 of the Internal Revenue Code of 1986, as amended by this section.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after the date of enactment of this Act.

By Mr. WARNER (for himself, Mr. ALLEN, Mr. GRAHAM, and Mr. NELSON of Florida):

S. 546. A bill to expand the applicability of the increase in the automatic maximum amount of Servicemembers’ Group Life Insurance scheduled to take effect on April 1, 2001, to the deaths of certain members of the uniformed services who die before that date; to the Committee on Veterans’ Affairs.

Mr. WARNER. 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. 546

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

SECTION 1. EXPANDED APPLICABILITY OF INCREASE IN AUTOMATIC MAXIMUM COVERAGE UNDER SERVICEMEMBERS’ GROUP LIFE INSURANCE.

(a) IN GENERAL.—Notwithstanding section 312(c) of the Veterans Benefits and Health Care Improvement Act of 2000 (Public Law 106-419; 114 Stat. 1854; 38 U.S.C. 1967 note) or any other provision of law, the amount of Servicemembers’ Group Life Insurance in force under subchapter III of chapter 19 of title 38, United States Code, for each individual described in subsection (b) at the time of such individual’s death as described in that subsection shall be \$250,000.

(b) COVERED INDIVIDUALS.—An individual described in this subsection is any individual insured under section 1967 of title 38, United States Code, who—

(1) during the period beginning on October 1, 2000, and ending on March 30, 2001, dies in a manner covered by such insurance; and

(2) at the time of death, had not made an election under that section to be insured in an amount less than automatic maximum amount provided for in that section.

By Mr. McCAIN:

S. 547. A bill to redesignate the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund as the Federal Old-Age and Survivors Insurance Accounting Fund and the Federal Disability Insurance Accounting Fund, respectively; to the Committee on Finance.

Mr. McCAIN. Mr. President, today I am introducing a simple, but essential bill that would change the name of the Social Security Trust Funds to the Social Security Accounting Funds. It is my honor to have Congressman DEMINT introducing an identical measure in the House of Representatives today.

It is time for us to talk straight to Americans about the Social Security program. When they see and hear “Trust Fund”, it makes them believe

that their retirement money is sitting in a bank vault safe and sound. However, the truth is precisely the opposite.

Payroll tax revenues for the Social Security program in excess of what is needed to pay Social Security benefits, are deposited into the government’s general funds as part of the U.S. Treasury. They are accounted for through the issuance of federal securities to the Social Security “trust funds”. However, the trust funds themselves do not hold the money; they are simply accounts.

This legislation would accurately designate the Social Security program funds as accounting funds not trust funds.

Additionally, I would like to take this opportunity to once again remind my colleagues of the precarious financial condition of the entire Social Security system and the urgent need for a serious, bipartisan effort to reform and revitalize this cornerstone of many Americans’ retirement planning.

The only way to achieve real reform of the Social Security system is to work together in a bipartisan manner. It’s time to abandon the irresponsible game of playing partisan politics with Social Security. Democrats will have to stop using the issue to scare seniors into voting against Republicans. Republicans will have to resist using Social Security revenues to finance tax cuts. And both parties must stop raiding the Trust Funds to fund more government spending. We must face up to our responsibilities, not as Republicans or Democrats, but as elected representatives of the American people with a common obligation to protect the generation of today and of tomorrow.

It is time for us to talk straight to Americans about Social Security and begin working together in a bipartisan fashion to make the necessary changes to strengthen and save the nation’s retirement program for the seniors of today and tomorrow.

We must work together to develop fair and effective reforms that will preserve and protect the Social Security system for current and future retirees, while allowing all Americans, particularly low- and middle-income individuals, the opportunity to share in the great prosperity that our nation enjoys today.

I ask unanimous consent that the text of this bill be printed in the RECORD.

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

S. 547

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

SECTION 1. SHORT TITLE.

The Act may be cited as the “Straighter Talk on Social Security Act of 2001”.

SEC. 2. REDESIGNATION OF SOCIAL SECURITY TRUST FUNDS.

The Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability

Insurance Trust Fund are hereby redesignated as the “Federal Old-Age and Survivors Insurance Accounting Fund” and the “Federal Disability Insurance Accounting Fund”, respectively.

SEC. 3. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.

(a) IN GENERAL.—Sections 201, 202, 206, 215, 217, 221, 222, 228, 229, 703, 706, 709, 710, 1106, 1129, 1131, 1140, 1145, 1147, 1817, and 1840 of the Social Security Act (42 U.S.C. 401, 402, 406, 415, 417, 421, 422, 428, 429, 903, 907, 910, 911, 1306, 1320a-8, 1320b-1, 1320b-10, 1320b-15, 1320b-17, 1395i, and 1395s) are each amended (in the text and in the headings) by striking “Federal Old-Age and Survivors Insurance Trust Fund” and “Federal Disability Insurance Trust Fund” each place they appear and inserting “Federal Old-Age and Survivors Insurance Accounting Fund” and “Federal Disability Insurance Accounting Fund”, respectively.

(b) CONFORMING AMENDMENTS.—Sections 201, 215, 217, 221, 222, 229, 231, 234, 706, 709, 1110, and 1148 of such Act (42 U.S.C. 401, 415, 417, 421, 422, 429, 431, 434, 907, 910, 1310, and 1320b-18) are each amended (in the text and in the headings) by striking “Trust Funds” and “trust funds” each place they appear and inserting “Funds”.

SEC. 4. OTHER CONFORMING AMENDMENTS.

(a) IN GENERAL.—The following provisions are amended by striking “Federal Old-Age and Survivors Insurance Trust Fund” and “Federal Disability Insurance Trust Fund” each place they appear and inserting “Federal Old-Age and Survivors Insurance Accounting Fund” and “Federal Disability Insurance Accounting Fund”, respectively:

- (1) sections 3121 and 6402 of the Internal Revenue Code of 1986;
- (2) section 7 of the Railroad Retirement Act of 1974 (45 U.S.C. 231f);
- (3) section 8331 of title 5, United States Code; and
- (4) sections 3720A and 3806 of title 31, United States Code.

(b) ADDITIONAL AMENDMENT.—Section 405 of the Congressional Budget Act of 1974 (2 U.S.C. 655) is amended by striking “the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds” and inserting “the Federal Old-Age and Survivors Accounting Fund and the Federal Disability Insurance Accounting Fund”.

SEC. 5. RULE OF CONSTRUCTION.

Whenever any reference is made in any provision of law, regulation, rule, record, or document to the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, such reference shall be considered a reference to the Federal Old-Age and Survivors Accounting Fund or the Federal Disability Insurance Accounting Fund, respectively.

By Mr. HARKIN (for himself, Ms. SNOWE, Ms. MIKULSKI, Mr. MURKOWSKI, Mrs. MURRAY, Mr. SCHUMER, and Mr. REID):

S. 548. A bill to amend title XVIII of the Social Security Act to provide enhanced reimbursement for, and expanded capacity to, mammography services under the medicare program, and for other purposes; to the Committee on finance.

Mr. HARKIN. Mr. President, I am pleased to be joined today by Senators SNOWE, MIKULSKI, MURKOWSKI, MURRAY, SCHUMER and REID to introduce the “Assure Access to Mammography Act of 2001.” This important legislation will help improve access to life-saving breast screenings for millions of women.

I lost both of my sisters to breast cancer. I strongly believe that if they had had access to regular mammography services and today’s advanced treatments, they would still be alive today.

Over the past several years, we’ve made a great deal of progress against breast cancer. In particular, we’ve been able to secure significant funding increases for research to understand the causes of and find treatments for breast cancer.

Almost a decade ago, when I looked into the issue of breast cancer research, I discovered that barely \$90 million was spent on breast cancer research.

That’s why, in 1992, I offered an amendment to dedicate \$210 million in the Defense Department Budget for breast cancer research. This funding was in addition to the funding for breast cancer research conducted at the National Institutes of Health. My amendment passed and, overnight, it doubled Federal funding for breast cancer.

Since then, funding for breast cancer research has been included in the Defense Department Budget every year.

Today, I am proud to say, between the DoD and NIH, over \$600 million is being spent on finding a cure for this disease.

But our success in building our research enterprise will be pointless if breakthroughs in diagnosis, treatment and cures are not available for patients.

That is why, a decade ago, as Chairman of the Senate Labor, Health and Human Services and Education Appropriations Subcommittee, I worked with Senator MIKULSKI to create a program, run by the Centers for Disease Control and Prevention, to provide breast and cervical cancer screening for low-income, uninsured women. And last year, I pushed a new law to provide Medicaid coverage to women diagnosed through this program so they can get the treatment they need.

But we still have a long way to go. Breast cancer is the second-most common form of cancer in the United States, next to skin cancers. Approximately 3 million women are living with cancer today, 2 million who have been diagnosed, and an estimated 1 million who do not yet know they have the disease. If we are going to win the war against breast cancer, we’ve got to be able to detect it early enough to apply the latest treatments effectively. We can prolong and save the lives of millions of women if the cancer is detected when it is small and has not yet spread to other areas of the body. Although not the perfect solution, screening mammograms are the best known way to diagnose breast cancer and reduce mortality. For example, routine mammograms in clinical trials resulted in a 25-30 percent decrease in breast cancer mortality for women aged 50-70.

In 1990, Congress acted to ensure access to screening by creating a Medi-

care mammography benefit and provided adequate payment for screening mammography by setting reimbursement for the procedure at \$55, indexed to inflation. Today that amount is \$69.23. Unfortunately, this payment has not kept pace with the costs of the procedure, and women’s access to screening mammography is being curtailed.

Hundreds of facilities across the country are losing money on screening mammography, and since September of 1999, 243 facilities have closed their doors; close to 100 of them in the last 5 months. At the same time, one million additional women each year need regular mammograms.

To compound the problem, there is increasing evidence of a shortage of practicing radiologists and radiology residents willing to conduct mammography screening and receive the necessary specialty training. Radiologists report that mammography is under-reimbursed and has a comparatively higher workload, high malpractice costs and more on-the-job stress.

In addition, this shortage of radiologic technologists appears to be worsening at the same time as the demand for medical imaging escalates. The number of RT trainees who take the certification exams has declined dramatically in the past several years, from 10,330 in 1995 to 7,149 in 2000. Facilities nationwide report an inability to find and keep qualified RTs.

As a result, women in many different parts of the country are having to wait many weeks and months to get a mammogram. These kinds of delays put women at risk for more advanced and less treatable forms of breast cancer.

Some of my colleagues may have read in TIME Magazine recently about Paula Sperling from New York. When she called her local mammography facility, they told her she’d have to wait 5 months for her annual mammogram, even though she has a history of breast cancer in her family. She told TIME, “Three or four months could mean the difference between a tumor that’s localized and one that’s spread into the lymph nodes.”

In my home state of Iowa, the situation is less dire, but our mammography facilities are struggling because reimbursement doesn’t come anywhere near the costs of providing the service. For example, Mercy Medical Center’s Cedar Rapids mobile mammography unit serves thousands of women in 7 rural counties in the surrounding area. Many of these women would find it very difficult, if not impossible, to get their mammograms in any other way. But because of low reimbursements, this mobile unit lost \$75,000 last year; losses that simply cannot be sustained. It is a day to day struggle to keep that mobile unit going.

Congress has a responsibility to make sure our Medicare policy ensures that women have access to timely, quality mammography services. Our legislation would do the following:

Increase the Medicare reimbursement for screening mammograms to

\$90 for 2002, based on currently available cost data.

Increase Medicare graduate medical education funding for added radiology residency slots, some of whom will choose mammography as a specialty.

Increase funding for allied health profession loan programs to increase the supply of qualified radiologic technicians (RTs) available to conduct mammograms.

In addition, we have included two important studies in our bill. Recent research has suggested that the Medicare reimbursement structure for physician work undervalues services and procedures done primarily in women when compared to similar male-specific procedures. Our bill requires the General Accounting Office to further evaluate this research and make recommendations to Congress on how to make Medicare reimbursement more equitable.

Also, there is evidence that screening services are undervalued in the physician fee schedule relative to other procedures. Given the importance of regular screening to prevent and catch disease in the early stages, from breast cancer to colorectal and prostate cancer, we include a provision in our bill requiring the Medicare Payment Advisory Commission, MedPAC, to study this issue and make recommendations to Congress.

Our legislation has the support of the American Cancer Society, American College of Radiologists, Society of Breast Imaging and the American Society of Radiologic Technologists. I ask unanimous consent that their letters of endorsement be printed in the CONGRESSIONAL RECORD. And for the sake of women across America and their families and friends, I urge my colleagues to join us in cosponsoring this important bill.

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

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

S. 548

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 "Assure Access to Mammography Act of 2001".

TITLE I—ENHANCED REIMBURSEMENT FOR SCREENING MAMMOGRAPHY UNDER THE MEDICARE PROGRAM

SEC. 101. ENHANCED REIMBURSEMENT UNDER THE MEDICARE PROGRAM FOR SCREENING MAMMOGRAPHIES FURNISHED IN 2002.

(a) ONE-YEAR DELAY OF INCLUSION OF PAYMENT FOR SCREENING MAMMOGRAPHY IN PHYSICIAN FEE SCHEDULE.—Section 104(c) of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (as enacted into law by section 1(a)(6) of Public Law 106-554) is amended by striking "January 1, 2002" and inserting "January 1, 2003".

(b) CHANGE IN PAYMENT AMOUNT.—Section 1834(c)(3)(A) of the Social Security Act (42 U.S.C. 1395m(c)(3)(A)) is amended—

(1) in the heading, by striking "\$55, INDEXED—" and inserting "IN GENERAL—";

(2) in clause (i), by striking "and" at the end;

(3) in clause (ii)—

(A) by striking "a subsequent year" and inserting "1992 through 2001"; and

(B) by striking "that subsequent year" and inserting "that year, and"; and

(4) by adding at the end the following new clause:

"(iii) for screening mammography performed in 2002, is \$90."

(c) EFFECTIVE DATES.—

(1) BIPA AMENDMENT.—The amendment made by subsection (a) shall take effect as if included in the enactment of section 104 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (as enacted into law by section 1(a)(6) of Public Law 106-554).

(2) MAMMOGRAPHY IN 2002.—The amendments made by subsection (b) shall apply with respect to screening mammographies furnished during 2002.

(d) CONSTRUCTION.—Nothing in this section shall be construed as affecting the provisions of section 104(d) of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (as enacted into law by section 1(a)(6) of Public Law 106-554) (relating to payment for new technologies).

TITLE II—EXPANDED CAPACITY FOR MAMMOGRAPHY SERVICES

SEC. 201. NOT COUNTING CERTAIN RADIOLOGY RESIDENTS AGAINST GRADUATE MEDICAL EDUCATION LIMITATIONS.

For cost reporting periods beginning on or after October 1, 2001, and before October 1, 2006, in applying the limitations regarding the total number of full-time equivalent residents in the field of allopathic or osteopathic medicine under subsections (d)(5)(B)(v) and (h)(4)(F) of section 1886 of the Social Security Act (42 U.S.C. 1395ww) for a hospital, the Secretary of Health and Human Services shall not take into account a maximum of 3 residents in the field of radiology to the extent the hospital increases the number of radiology residents above the number of such residents for the hospital's most recent cost reporting period ending before October 1, 2001.

SEC. 202. ALLIED HEALTH PROFESSIONAL FUNDING.

Section 757 of the Public Health Service Act (42 U.S.C. 294g) is amended—

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

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this part—

"(1) \$55,600,000 for fiscal year 1998;

"(2) such sums as may be necessary for each of the fiscal years 1999 through 2001;

"(3) \$70,600,000 for fiscal year 2002; and

"(4) such sums as may be necessary for fiscal year 2003 and each subsequent fiscal year.";

(2) in subsection (b)(1)—

(A) in subparagraph (B), by striking "and" at the end;

(B) in subparagraph (C), by striking "754, and 755." and inserting "and 754; and"; and

(C) by adding at the end the following new subparagraph:

"(D) not less than \$15,000,000 for awards of grants and contracts under section 755."

TITLE III—STUDIES AND REPORTS ON MEDICARE REIMBURSEMENT FOR GENDER-SPECIFIC AND SCREENING SERVICES

SEC. 301. GAO STUDY AND REPORT ON MEDICARE REIMBURSEMENT FOR GENDER-SPECIFIC SERVICES.

(a) STUDY.—The Comptroller General of the United States shall conduct a study of the relative value units established by the Secretary of Health and Human Services under the medicare physician fee schedule

under section 1848 of the Social Security Act (42 U.S.C. 1395w-4) for physicians' services that are gender-specific.

(b) REPORT.—Not later than December 31, 2001, the Comptroller General shall submit to Congress a report on the study conducted under subsection (a), together with such recommendations regarding the appropriateness of adjusting the relative value units for physicians' services that are gender-specific as the Comptroller General determines appropriate.

SEC. 302. MEDPAC STUDY AND REPORT ON MEDICARE REIMBURSEMENT FOR SCREENING SERVICES.

(a) STUDY.—The Medicare Payment Advisory Commission shall conduct a study of the relative value units established by the Secretary of Health and Human Services under the medicare physician fee schedule under section 1848 of the Social Security Act (42 U.S.C. 1395w-4) for screening services that are reimbursed under such fee schedule.

(b) REPORT.—Not later than March 1, 2002, the Commission shall submit to Congress a report on the study conducted under subsection (a), together with such recommendations regarding the appropriateness of adjusting the relative value units for screening services that are reimbursed under the physician fee schedule as the Comptroller General determines appropriate.

AMERICAN CANCER SOCIETY,
Washington, DC, March 13, 2001.

Hon. TOM HARKIN,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR TOM: On behalf of the American Cancer Society and its more than 28 million supporters, I am writing to thank you for recognizing the importance of assuring that American women have adequate access to mammography and for drafting legislation aimed at addressing this complex issue. We are most grateful for your leadership and commitment.

As you know, there have been increasing indicators that suggest an erosion in the current capacity to meet the breast imaging needs of American women. We have been troubled by recent reports of problems related to economic pressures, personnel shortages, and a growing disinterest in mammography on the part of practicing radiologists and recent residency program graduates. Unfortunately, we do not yet have much concrete data to illuminate the extent of the problem.

The Society is currently working in collaboration with the Society of Breast Imaging (SBI) and the American College of Radiology (ACR) to gather data to better understand the underlying systemic problems that are reflected in a growing number of anecdotal reports about problems with mammography. We are also in the process of convening a series of meetings with other breast cancer advocacy groups to try to answer the questions raised by the recent news reports.

The Society strongly believes that continued access to quality mammography must be assured and that this issue must be addressed in a timely fashion. Increasing women's access to high quality breast cancer screening is a goal that has long had strong bi-partisan Congressional support, as evidenced by the enactment of legislation in 1990 to provide a Medicare breast cancer screening benefit and the passage of the "Mammography Quality Standards Act" in 1992. Congress has also taken steps to increase access to mammography and breast cancer treatment for the medically underserved by establishing the Breast and Cervical Cancer Early Detection Program and enacting the Breast & Cervical Cancer Treatment Act. In addition, thanks to successful

public-private partnerships, many women have gotten the message about the importance of regular mammograms. Your support on these issues has been greatly appreciated.

Now that women are getting the message and seeking out screening services, the country needs to ensure that the capacity to provide mammography services meets the demand. Approximately 40,600 Americans will die this year from breast cancer. We knew that early detection is key to saving lives from breast cancer, and it increases a woman's treatment options. Mammography is the only scientifically proven tool currently available to detect breast cancer before the onset of symptoms. The aging of the baby boomer population means that the number of American women requiring regular screening is increasing dramatically at an estimated rate of over one million per year.

Your legislation, the "Assure Access to Mammography Act," is an important step in addressing these issues. We know that increasing the reimbursement rate and raising the number of radiology residents—measures addressed in your legislation—are important components of the mammography capacity issue. We also believe the MedPAC study called for in the bill will lay the groundwork for shoring up future capacity by evaluating whether or not screening services are undervalued in the physician fee schedule.

Once again, we commend you for your leadership on this critical issue. As our data collection and analysis efforts progress, we look forward to sharing this information with you and working together to ensure that women across the country continue to have access to high quality mammography services. If you or your staff have any additional questions, please contact Megan Gordon, Manager of Federal Government Relations (202-661-5716).

Sincerely,

DANIEL E. SMITH,
National Vice President, Federal and State
Government Relations.

AMERICAN COLLEGE OF RADIOLOGY,
Reston, VA, March 12, 2001.

Hon. TOM HARKIN,
U.S. Senate, Washington, DC.

DEAR SENATOR HARKIN: On behalf of the American College of Radiology (ACR), I would like to commend you on your efforts to improve women's health by introducing the "Assure Access to Mammography Act of 2001" and offer the College's full support for the enactment of this legislation.

As you know, the College has been working closely with you and your staff to address the growing access problem to timely mammography screening. For over a decade, the Congress and the College have recognized screening mammography as an essential element in women's health and have been committed to providing this valuable service. With the enactment of this legislation, that commitment to women's health will continue.

Raising reimbursement for screening mammography, and maintaining that level of reimbursement, will allow radiologists to continue providing this lifesaving service in a timely fashion and help avoid the delays that have been widely reported in the media. The College also fully supports the provisions in your legislation regarding the need for additional radiologists and associated allied health personnel. In addition, your provisions requesting the study of Medicare reimbursement of gender-specific services and Medicare reimbursement for screening services in general are solely needed.

Since the College and you share the common goal of continuing to provide timely access to screening mammography, ACR looks

forward to continuing our work together to pass this vital legislation.

Sincerely,

HARVEY L. NEIMAN, M.D.,
Chair, Board of Chancellors.

SOCIETY OF BREAST IMAGING,
Reston, VA, March 12, 2001.

Hon. TOM HARKIN,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR HARKIN: Mammography can have a significant impact on women's lives. When screening mammography detects breast cancer at an early stage, women have a better chance of survival and an improved quality of life. Early detection may also spare many women from mastectomy. The American Cancer Society, the American Medical Association, and many other medical organizations now recommend that women begin annual screening mammography at age 40 years.

The number of screening mammograms performed each year in our country has doubled over the past decade. There are now 56 million American women age 40 or older. About 30 million women have had a mammogram during the past 2 years.

The need for mammography is expected to increase even further in the future. Each year, a greater percentage of women in the breast cancer age group follow the mammography screening guidelines. Also, the population of women age 40 and older will grow by 1 million each year over the next five years.

Today, our medical care system is unable to keep up with this increasing demand for mammography by providing this examination in a timely manner. Waiting time for a mammography appointment has increased. Many facilities now report waits of weeks or even months. The underlying reason for these excessively long waits is inadequate reimbursement rates. At current reimbursement rates, mammography usually loses money. The more mammograms performed, the greater the loss. The current Medicare reimbursement rate of \$68.00 for a screening mammogram is less than the cost of performing the examination. Reimbursement rates for other health care plans are based upon the Medicare fee schedule. At current reimbursement rates, many hospitals and clinics have been unable to purchase enough mammography equipment, hire enough radiologists and technologists, and pay for enough office space for breast imaging.

Long waits for a mammography appointment lead to unnecessary anxiety. Some women feel discouraged. Others may even be deterred from having a mammogram. Extremely long waiting times may result in delay in diagnosis and treatment of breast cancer. This can shorten a woman's life.

If the trend in financial losses from the performance of mammography continues, the availability of this study will be further curtailed. Some hospitals and medical facilities may even be forced to stop performing this examination. And, most facilities cannot afford to expand despite the projected increasing need for mammograms.

The Society of Breast Imaging supports your proposed legislation. By bringing reimbursement rates in line with the cost of performing mammography, your bill will ensure that American women will have access to this lifesaving procedure.

Sincerely,

STEPHEN A. FEIG, MD, FACP,
President.

AMERICAN SOCIETY OF RADIOLOGIC
TECHNOLOGISTS,

March 9, 2001.

Hon. TOM HARKIN,

U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR SENATOR HARKIN: On behalf of the American Society of Radiologic Technologists (ASRT), a nationwide organization representing more than 87,000 medical imaging and radiation therapy professionals, we would like to express our strong support for the "Fairness in Mammography Reimbursement Act of 2001."

ASRT supports your call for increases in both mammography reimbursement and federal support for allied health professions educational program grants. ASRT recognizes that current reimbursements do not cover costs for performance of these procedures. In addition, shortages of qualified radiologic technologists have had an adverse affect on access to quality mammography services. We appreciate your acknowledgment that the problem of access to quality mammography is both a reimbursement problem, as well as a personnel problem.

In 1991, you were one of the first Senators to recognize the need to improve access to and the quality of mammography services. Your cosponsorship of the Woman's Health Equity Act of 1991—which ultimately became the Mammography Quality Standards Act (MQSA) of 1992—was an important first step towards improving the quality of radiologic imaging services. An important component of that bill was the establishment of minimum federal standards for radiologic technologists performing mammography services.

While considerable progress has been made since 1992 in improving the quality of mammography services, we regret that a similar statement cannot be made with respect to other radiologic imaging services. We would therefore like to take this opportunity to bring to your attention legislation we are promoting entitled the Consumer Assurance of Radiologic Excellence (CARE). This legislation is designed to increase the quality of all radiologic services and reduce medical errors by establishing federal minimum standards for education and credentialing of personnel who perform plan or deliver medical imaging procedures or radiation therapy.

Again, we commend and support your efforts to improve access and availability of quality mammography services and we look forward to working with you on Legislation that will improve the quality of all medical imaging services.

Sincerely,
MICHAEL DELVECCHIO, B.S., R.T. (R),
ASRT President.

Ms. SNOWE. Mr. President, I am pleased to rise today to join Senator HARKIN and Senator MIKULSKI as an original cosponsor of the Assure Access to Mammography Act of 2001. This bill addresses an emerging need in the fight for breast cancer—the need for adequate reimbursement for screening mammography in the Medicare Program and the need to preserve access to mammographies services for women across the country.

Mr. President, we are clearly making small gains in fighting breast cancer, which is one of the most challenging and daunting health problems in America today. There is no question that a diagnosis of breast cancer is something that every woman dreads. But for an estimated 192,200 American women, this is the year their worst fears will

be realized. One thousand new cases of breast cancer will be diagnosed among the women in Maine, and 200 women in my home state will die from this tragic disease. The fact is, one in nine women will develop breast cancer during their lifetime, and for women between the ages of 35 and 54, there is no other disease which will claim more lives.

But the fact is that mammograms are the most powerful weapon we have in the fight against breast cancer. They enable us to detect and treat breast cancer at its earliest stage when the tumors are too tiny to be detected by a woman or her doctor, providing a better prognosis. An estimated 30 million mammograms were performed last year at a cost of over \$2 billion—a valuable down-payment in our fight against an unmerciful killer. And due to the aging of the baby boom generation it is estimated that more than one million additional women each year will need regular mammograms.

In 1990 we succeeded in making screening mammography the very first preventive benefit available under Part B of the Medicare Program, and we set the reimbursement level in statute. In 1998, the Medicare Program alone provided over 6 million mammography procedures. Unfortunately the Medicare payment, which was indexed to inflation under the statute, has not kept pace with the actual increase in health care costs. Last year the Medicare reimbursement for a screening mammogram was \$69.23—well under the mean cost of \$90 per procedure.

There is evidence that radiology clinics are closing their doors, and that radiologists are no longer able to provide mammography services due to the simple fact that providers are not reimbursed enough for their work and cannot justify the losses they incur by providing mammography services. Over the past 18 months 243 facilities have closed their doors; close to 100 of them in just the past four months. This is a problem that must be addressed immediately.

The legislation we introduce today would increase Medicare reimbursement for screening mammograms to \$90 for 2002, insuring that radiologists across the country are appropriately reimbursed for the valuable service they provide.

On March 7, 2001, the Institute of Medicine (IOM) issued a fascinating report evaluating the new technologies of mammography titled "Mammography and Beyond: Developing Technologies for the Early Detection of Breast Cancer."

At the same time, the IOM recommended analyzing current Medicare and Medicaid reimbursement rates for mammography to determine whether they adequately cover the total costs of providing the procedure. The report also recommends that the Health Resources and Services Administration (HRSA) undertake or fund a study to analyze trends in speciality training for breast cancer screening among radi-

ologists and radiologic technologists, and examine factors affecting the decision of practitioners to enter or remain in the field.

We have taken these recommendations very seriously and by introducing this legislation today, we are acting to preserve access to mammography. The truth is we simply cannot risk slipping back in our fight against breast cancer.

I urge my colleagues to join us in supporting this very important bill and work towards passing it this year.

Ms. MIKULSKI. Mr. President, I rise to join my colleagues Senators HARKIN, SNOWE, MURKOWSKI, MURRAY, SCHUMER, and REID in introducing the Assure Access to Mammography Act of 2001. The goal of this bill is to help ensure that women have access to screening mammograms.

Breast cancer mortality has decreased because of early detection, diagnosis, and treatment. Mammography is vital to early detection, yet I have seen press reports about women having to wait weeks or months for a mammogram. In Maryland, waiting times for mammograms at some facilities have increased from one to two weeks to six to eight weeks. In addition, some wait times have increased from one to two days to two weeks for a diagnostic mammogram. In these cases, usually a woman has already had a suspicious finding from a screening mammogram and has to wait longer to get the results of a diagnostic mammogram to determine if she has breast cancer or not.

I have also heard about mammography facilities closing down because they could no longer make ends meet. In fact, a couple mammography facilities in the Baltimore area have closed their doors. This coincides with a national trend. Over the last 18 months, close to 250 mammography facilities have closed down, with almost 100 facilities closing between October 2000 and February 2001. Women living in areas with no or few mammogram facilities are less likely to have mammograms than those living in areas with more facilities.

At the same time, the size of the population requiring annual mammograms is increasing about one million per year. The American population is aging. There will be 70 million Americans aged 65 and over in 2030. Age is also the most important risk factor for breast cancer. A woman's chance of getting breast cancer is 1 out of 2,212 by age 30. This increases to 1 out of 23 by age 60 and 1 out of 10 by age 80. More than 85 percent of breast cancers occur in women over the age of 50. This means that more and more women will be on Medicare and need screening mammograms. Screening mammograms have been shown to reduce breast cancer mortality by 25-30 percent in women age 50-70. About 68 percent of Maryland women age 65 and older had a mammogram within the last year. More women will need this screening at the same time that we are

seeing fewer mammography facilities available to provide this valuable service to women.

Eleven years ago, I introduced the Medicare Screening Mammography Amendments of 1990 to provide Medicare coverage of annual screening mammography. This bill set out the conditions under which Medicare would cover screening mammograms and how they would be reimbursed. My legislation was included in the Omnibus Budget Reconciliation Act of 1990. Before that, Medicare did not cover routine annual screening mammograms. The Health Care Financing Administration (HCFA) reimburses screening mammograms at a rate of \$55 indexed to inflation. This means that for 2001, Medicare pays \$69.23 for screening mammograms. Last year, Congress changed how Medicare pays for screening mammograms. Starting in 2002, screening mammograms will be reimbursed through the Medicare physician fee schedule like diagnostic mammograms and other services.

Mammography is a unique procedure. Screening mammography has been reimbursed differently under Medicare than diagnostic mammography. Mammography is also one of the most technically challenging radiological procedures. Ensuring the quality of the image is difficult and mammograms are the most difficult radiologic images to read. I authored the mammography Quality Standards Act of 1992 to set uniform quality standards for mammography facilities, personnel, and equipment so that women would have safe and reliable mammograms. These standards are unique to mammography. A study has found that allegation of error in the diagnosis of breast cancer is now the most prevalent reason for medical malpractice lawsuits among all claims against physicians and is associated with the second highest indemnity payment size.

Last week, the Institute of Medicine (IOM) released a report entitled "Mammography and Beyond: Developing Technologies for the Early Detection of Breast Cancer". Among the IOM's recommendations is that HCFA should analyze the current Medicare and Medicaid reimbursement rates for mammography, including a comparison with other radiological techniques, to determine whether they adequately cover the total costs of providing the procedure. The cost analysis should include the costs associated with meeting the requirements of the Mammography Quality Standards Act. The bill we are introducing today would delay for one year (until 2003) the inclusion of screening mammography in the Medicare physician fee schedule. This would give time for HCFA to collect data and review Medicare reimbursement rates for screening mammography before moving it into the physician fee schedule and to help ensure a smooth transition into the fee schedule. This is important given the unique characteristics of mammography that I

have already outlined. In the meantime, the bill would increase Medicare reimbursement for screening mammograms to \$90 in 2002 to help decrease waiting times and the closure of mammography facilities so that women have timely access to screening mammograms.

In addition, there is evidence that fewer numbers of radiologists and technologists are going into mammography. That's why this bill increases Medicare Graduate Medical Education funding for additional radiology residency slots and increases funding for Allied Health Professions programs to increase the supply of radiologic technologists (RTs) able to conduct mammograms. The IOM report last week acknowledges this concern by recommending that the Health Resources and Services Administration (HRSA) should undertake or fund a study that analyzes trends in specialty training for breast cancer screening among radiologists and radiologic technologists and that examines the factors that affect practitioners' decision to enter or remain in the field.

Finally, this bill would require a General Accounting Office study of the Medicare reimbursement structure for gender-specific procedures and require a Medicare Payment Advisory Commission study of Medicare reimbursement for screening services. These studies will provide important information for Congress and HCFA to consider as we look at ways to improve and modernize Medicare.

I'm pleased that this legislation has the support of the American Cancer Society, the American College of Radiology, the American Society of Radiologic Technologists, and the Society of Breast Imaging. I hope this bill will begin a conversation about the adequacy of Medicare reimbursement of screening mammograms. I urge my colleagues to support this bill, and I urge my colleagues on the Finance Committee to consider this bill as they craft Medicare reform legislation. A decade ago Congress provided coverage of annual mammograms to women under Medicare. This legislation will help ensure that the promise we made a decade ago remains a meaningful promise to current and future Medicare beneficiaries. Without it, some women at risk for breast cancer may not have access to screening that could detect cancer earlier and help them live longer.

By Mr. CRAPO (for himself and Mr. AKAKA):

S. 549. A bill to ensure the availability of spectrum to amateur radio operators; to the Committee on Commerce, Science, and Transportation.

Mr. CRAPO. Mr. President, I rise to introduce the Amateur Radio Spectrum Protection Act of 2001. This bill would help preserve the amount of radio spectrum allocated to the Amateur Radio Service during this era of dramatic change in our telecommuni-

cations system. I am pleased to be joined today in this bi-partisan effort by Senator DANIEL AKAKA.

Organized radio amateurs, more commonly known as 'ham' operators, through formal agreements with the Federal Emergency Management Agency, the National Weather Service, the Red Cross, the Salvation Army, and other government and private relief services, provide emergency communication when regular channels are disrupted by disaster. In Idaho, these trained volunteers have performed tasks as various as helping to rescue stranded back-country hikers, organizing cleanup efforts after the Payette River flooded, and helping the Forest Service communicate during major forest fires. In other communities, they may be found monitoring tornado touchdowns in the Midwest, helping authorities reestablish communication after a hurricane in the Gulf or sending "health and welfare" messages following an earthquake on the West Coast. Not only do they provide these services using their own equipment and without compensation, but they also give their personal time to participate in regular organized training exercises.

In addition to emergency communication, amateur radio enthusiasts use their spectrum allocations to experiment with and develop new circuitry and techniques for increasing the effectiveness of the precious natural resource of radio spectrum for all Americans. Much of the electronic technology we now take for granted is rooted in amateur radio experimentation. Moreover, amateur radio has long provided the first technical training for youngsters who grow up to be America's scientists and engineers.

The Balanced Budget Act of 1997 requires the Federal Communications Commission, FCC, to conduct spectrum auctions to raise revenues. Some of that revenue may come from the auction of current amateur radio spectrum. This bill simply requires the FCC to provide the Amateur Radio Service with equivalent replacement spectrum if it reallocates and auctions any of the Service's current spectrum.

The Amateur Radio Spectrum Protection Act of 2001 will protect these vital functions while also maintaining the flexibility of the FCC to manage the nation's telecommunications infrastructure effectively. It will not interfere with the ability of commercial telecommunications services to seek the spectrum allocations they require. I ask my colleagues to join the more than 670,000 U.S. licensed radio amateurs in supporting this measure and welcome their co-sponsorship.

I ask unanimous consent that the text of this bill be printed in the RECORD.

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

S. 549

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 "Amateur Radio Spectrum Protection Act of 2001".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) More than 650,000 radio amateurs in the United States are licensed by the Federal Communications Commission.

(2) Among the basic purposes of the Amateur Radio and Amateur Satellite Services are to provide voluntary, noncommercial radio service, particularly emergency communications.

(3) Emergency communications services by volunteer amateur radio operators have consistently and reliably been provided before, during, and after floods, hurricanes, tornadoes, forest fires, earthquakes, blizzards, train accidents, chemical spills, and other disasters.

(4) The Federal Communications Commission has taken actions which have resulted in the loss of at least 107 MHz of spectrum to radio amateurs.

SEC. 3. FEDERAL POLICY REGARDING RE-ALLOCATION OF AMATEUR RADIO SPECTRUM.

Section 303 of the Communications Act of 1934 (47 U.S.C. 303) is amended by adding at the end the following new subsection:

"(z) Notwithstanding subsection (c), after the date of the enactment of this subsection—

"(1) make no reallocation of primary allocations of bands of frequencies of the amateur radio and amateur satellite services;

"(2) not diminish the secondary allocations of bands of frequencies to the amateur radio or amateur satellite service; and

"(3) make no additional allocations within such bands of frequencies that would substantially reduce the utility thereof to the amateur radio or amateur satellite service; unless the Commission, at the same time, provides equivalent replacement spectrum to amateur radio and amateur satellite service.."

Mr. AKAKA. Mr. President, I thank my distinguished colleague from Idaho (Mr. CRAPO) for introducing this very important legislation that will help to protect and preserve the radio spectrum necessary to ensure the continuation of the Amateur Radio Service. The Amateur Radio Spectrum Act of 2001 is a bipartisan effort to secure the amateur radio spectrum as the telecommunications industry continues to change.

Amateur radio operators, more commonly known as "hams," have been around as long as radio itself, and a few pioneers in amateur radio provided valuable insight into the current communications system that we know today. While many people may look at amateur radio operators as radio enthusiasts with a fun hobby, I would like to remind everyone that they also provide a valuable service to communities all over the world.

Mr. President, the Amateur Radio Service was created by the Federal Communications Commission (FCC) to utilize amateur radio operators to provide backup emergency communications. These operators set up and operate organized communications networks locally for governmental and emergency officials.

While television and radio broadcast stations are the more common methods of providing emergency information to

the public, these stations may not be in service for weeks after such disasters as tornados and hurricanes. Instead, this valuable emergency service usually is provided by the Amateur Radio Service. Through several networks that are decentralized, with many transceivers and antennas, amateur radio operators are able to transmit safety and health conditions in times of disasters.

In the State of Hawaii, the sole source of information in the immediate aftermath of Hurricane Iniki, which hit the island of Kauai on September 11, 1992, was from amateur radio operators. The devastation to the island was immense; one out of five of the island's power and telephone poles were down, power, cable television, and phone lines were out, cellular phone, microwave dishes, two-way radio antenna boosters, television station translators, and radio station transmitters were damaged. Kauai Electric Company was inoperable and 100 percent of its customers were without power. While the company did have a disaster plan, no one fathomed that a storm would have such a devastating effect. Fortunately, amateur radio operators on Kauai were able to keep state officials informed about the island's condition.

Mr. President, Senator CRAPO and I are here today because the Balanced Budget Act of 1997 requires the FCC to conduct spectrum auctions as a means to increase revenue. While these auctions may not immediately take away from the Amateur Radio Service, there is nothing to prevent the FCC from selling off portions of the spectrum currently utilized by amateur radio operators.

Mr. President, this bill will protect the Amateur Radio Service by requiring the FCC to provide the Service with equivalent spectrum if it reallocates and auctions any of the Service's current spectrum. The Amateur Radio Spectrum Protection Act of 2001 will ensure that the valuable service provided by amateur radio operators will continue.

Mr. President, I am pleased to join Senator CRAPO in this bipartisan effort to protect the Amateur Radio Service and ask my colleagues to support this important measure.

By Mr. DASCHLE (for himself, Mr. MCCAIN, Mr. INOUYE, Mr. BAUCUS, Mr. COCHRAN, and Mrs. FEINSTEIN):

S. 550. A bill to amend part E of title IV of the Social Security Act to provide equitable access for foster care and adoption services for Indian children in tribal areas; to the Committee on Finance.

Mr. DASCHLE. Mr. President, today I am reintroducing legislation to correct an inequity in the laws affecting many Native American children. I am joined by Senators MCCAIN, INOUYE, BAUCUS, FEINSTEIN, and COCHRAN in supporting this important piece of legislation. This effort is also supported

by the National Indian Child Welfare Association, American Public Human Services Association, and National Congress of American Indians.

Every year, for a variety of often tragic reasons, thousands of children across the country are placed in foster care. To assist with the cost of food, shelter, clothing, daily supervision and school supplies, foster parents of children who have come to their homes through state court placement receive money through Title IV-E of the Social Security Act. Additionally, states receive funding for administrative training and data collection to support this program. Unfortunately, because of a legislative oversight, many Native American children who are placed in foster care by tribal courts do not receive foster care and adoptive services to which all other income-eligible children are entitled.

Not only are otherwise eligible Native children denied foster care maintenance payments, but this inequity also extends to children who are adopted through tribal placements. Currently, the IV-E program offers limited assistance for expenses associated with adoption and the training of professional staff and parents involved in the adoption. These circumstances, sadly, have meant that many Indian children receive little Federal support in attaining the permanency they need and deserve.

In many instances, these children face insurmountable odds. Many come from abusive homes. Foster parents who open their doors to care for these special children deserve our help. These generous people who take these children into their homes should not have sleepless nights worrying about whether they have the resources to provide nourishing food or a warm coat, or even adequate shelter for these children. This legislation will go a long way to ease their concerns.

Currently, some tribes and states have entered into IV-E agreements, but these arrangements are the exception. They also, by and large, do not include funds to train tribal social workers and foster and adoptive parents. This bill would make it clear that tribes would be treated like States when they run their own programs under the IV-E program. The bill would make funding fair and equitable for all children, Native and non-Native.

The bill I am introducing today would do the following:

Extend the Title IV-E entitlement programs to tribal placements in foster and adoptive homes;

Authorize tribal governments to receive direct funding from the Department of Health and Human Services for administration of IV-E programs (tribes must have HHS-approved programs):

Allow the Secretary flexibility to modify the requirements of the IV-E law for tribes if those requirements are not in the best interest of Native children; and

Allow continuation of tribal-State IV-E agreements.

In a 1994 report, HHS found that the best way to serve this underfunded group is to provide direct assistance to tribal governments and qualified tribal families. I want to emphasize that this bill would not result in reduced funding for the States, as they would continue to be reimbursed for their expenses under the law. I strongly believe Congress should address this oversight and provide equitable benefits to Native American children who are under the jurisdiction of their tribal governments, and I hope my colleagues will join me in supporting this bill.

Mr. McCAIN. Mr. President, I am pleased to cosponsor legislation with my colleagues, Senators DASCHLE, INOUYE, BAUCUS, FEINSTEIN and COCHRAN, to amend the Social Security Act and extend eligibility for Indian tribes to fully implement, like states, the Title IV-E Foster Care and Adoption Assistance Act. This important legislation will make certain that Indian children living in tribal areas have the same access to services of the Title IV-E Foster Care and Adoption Assistance Program enjoyed by other children nationwide.

The purpose of the Title IV-E program is to ensure that children receive adequate care when placed in foster care and adoption programs. The Title IV-E program operates as an open-ended entitlement program for eligible state governments with approved plans. State governments receive funding for foster care maintenance payments to cover food, shelter, clothing, school supplies, and liability insurance for income-eligible children placed in foster homes by state courts, and for related administrative and training costs.

While Congress intended that the Title IV-E program should benefit all eligible children, Indian children who are under the jurisdiction of the respective tribal court are generally not considered eligible. When enacted, the Title IV-E law did not properly consider that Indian tribal governments retain sole jurisdiction over the domestic affairs of their own tribal members, particularly Indian children.

State administrators have attempted to meet the intended goals of these programs by extending their efforts to Indian country. However, administrative and jurisdictional hurdles make it nearly impossible to provide these services. As a result, Indian children in need of foster care and child support are not accorded the same level of service as other children nationwide. Tribal governments, who are legally responsible for Indian children in foster care, are not entitled to federal reimbursement for children placed in foster care by a tribal court, unless the tribe, as a public agency, enters into a cooperative agreement with the state.

A cooperative agreement may not sound all that difficult, but in reality,

such an agreement can prove impossible. Rather than providing incentives, current law often discourages states from entering into agreements with tribes. For example, a state is accountable for tribal compliance with Title IV-E requirements. If a tribe cannot fulfill a matching requirement, the state must assume the costs on behalf of the tribe in order to retain federal funds. It is entirely possible that states could lose their Title IV-E funds if tribal records were out of compliance.

Unfortunately, State-tribal relations are not always productive, particularly when disputes arise over issues unrelated to child welfare. Providing this direct eligibility for tribal governments, with the same accountability and enforcement requirements, will resolve such problems. State agencies have indicated that direct participation by the tribes would help address an overburden of casework and preclude tension over jurisdictional issues. While direct tribal authority would be authorized by enactment of this legislation, I want to make clear that we have no intention to supplant or discourage State-tribal agreements. Existing agreements will be honored, while allowing Indian tribes to directly access needed resources for further protection for income-eligible Indian children.

The Congressional Budget Office, CBO, estimated that this legislation would cost \$236 million over a five-year period, which generally amounts to less than 1 percent of total federal Title IV-E expenditures. While this legislation does not currently include any identified offsets to pay for adding tribal eligibility for this entitlement program, I have been assured by Senator DASCHLE that the inclusion of an offset, prior to final passage, will in no way affect the Social Security Trust Fund or increase the federal debt. We have pledged to work together to find the necessary and agreeable offset for this program.

Enactment of this legislation will bring an end to the disparate treatment of eligible Indian children under Title IV-E programs. I urge my colleagues to correct this unfair oversight and make the benefits of the Title IV-E entitlement program available for all children as intended.

Mr. BAUCUS. Mr. President, I am happy to co-sponsor this legislation with my colleagues, Senators DASCHLE, McCAIN, INOUYE, FEINSTEIN, and COCHRAN, to extend the Title IV-E Foster Care and Adoption Assistance programs to Indian tribes. This legislation will enhance tribal sovereignty by giving tribes choices when it comes to providing child welfare services to their children.

Hundreds of thousands of children are currently in foster care due to abuse, neglect, or abandonment. The programs authorized under Title IV-E of the Social Security Act play an important role in safeguarding the well-being of these children. The programs

provide funding to states to cover the costs of food, shelter, clothing, and other supplies for eligible children that are placed in foster care. States also receive funding for related administrative and training costs.

Unfortunately, thousands of Native American children who meet income eligibility criteria are not automatically eligible to receive this funding if they are placed in foster care or up for adoption by a tribal agency. Under current law, only states can directly benefit from this funding source. In order to receive these monies, tribes must form cooperative agreements with their respective states.

In Montana, all seven of our tribes have developed foster care agreements with the state government, and the agreements reportedly are successful for the parties involved. But we are lucky. Not all tribes or states have been able to form these agreements with each other. Nor should they have to.

This legislation will allow tribes, like states, to submit plans to the Department of Health and Human Services in order to receive Title IV-E payments directly. Or tribes could continue their cooperative state agreements. The point is, this bill will give tribes choices when it comes to their child welfare services. It will enhance tribal sovereignty. And for many tribes, it will give them access to funding sources currently not available to them.

I believe this legislation is important for Indian children and tribal sovereignty. I urge my colleagues to join us in supporting this bill and making Title IV-E programs available to all eligible children.

By Mr. DORGAN (for himself, Mr. GREGG, and Mr. DURBIN):

S. 551. A bill to amend the Internal Revenue Code of 1986 to simplify the individual income tax by providing an election for eligible individuals to only be subject to a 15 percent tax on wage income with a tax return free filing system, to reduce the burdens of the marriage penalty and alternative minimum tax, and for other purposes; to the Committee on Finance.

Mr. DORGAN. Mr. President, there is a great deal of discussion and debate going on right now about cutting taxes. Everyone, it seems, supports a tax cut although there is great disagreement over how big it should be, when it should take effect and who it should benefit.

The American people deserve and need a tax cut, and I hope they will get one.

But there is another part to this discussion that's not getting much attention. The American people also deserve and need tax simplification. There is broad agreement on this question, much broader and much deeper than any consensus on the need for a tax cut.

I think we ought to act to provide it.

Just a few months ago, the press reported several independent studies showing that American families and business will spend at least \$115 billion trying to comply with federal tax laws this year. That is an enormous amount of money. It represents an enormous amount of time, an enormous amount of effort, and I'm pretty certain, it represents an enormous amount of frustration for tens of millions of American taxpayers.

Lately there has been a lot of talk about lifting tax burdens, and we should be talking about that, but let's also talk about one of the biggest tax burdens of all: the tax compliance burden, the colossal hassle taxpayers face to file their tax returns each year. I think it is simply inexcusable that it is so complex, so difficult, and so expensive for Americans to fulfill this basic civic duty.

I find it even more unacceptable that we should do nothing to lift this burden, even as the nation is focused on lifting the tax burden when it comes to what is owed.

We must do both.

As I mentioned, taxpayers will spend somewhere around \$115 billion and more than 3 billion hours this year in the effort to meet their federal income tax obligations. At this very moment, millions of taxpayers are probably just beginning the gut-wrenching process of wading through complex forms and instruction books so they can meet this year's fast-approaching filing deadline. After completing this annual ritual, they will once again start barraging congressional offices with letters imploring us to simplify the tax code. I don't blame them for doing so.

They are right. Each little provision in the tax code has a justification, but together they add up to a big headache for the American taxpayer. We can't blame the IRS for the misery endured this year or in the years ahead. There's no way to truly simplify tax day unless Congress changes the underlying law. Nevertheless, the President and Congress appear ready to move forward with tax relief of possibly historic proportions without addressing the tax compliance burden that most Americans urgently want fixed.

That's why I am pleased to be joined by Senators GREGG and DURBIN in reintroducing a tax reform proposal that we call the "Fair and Simple Shortcut Tax", FASST plan. Our plan would give most taxpayers the opportunity to pay their federal income taxes without having to prepare a tax return if they so choose. More than thirty countries already enable their citizens to pay their federal taxes in this way. We believe tax simplification along these lines can work in this country, too.

Our bill is based on a principle that both sides of the aisle generally are eager to espouse, namely, choice. The bill would allow taxpayers to choose to pay their taxes without complexity, paperwork and hassle. Those who prefer to use the current system, with its

complexity and expenses, could do so if they wanted. But if they want something simpler, they could choose our approach instead.

Under FASST, most taxpayers could forget about filing a federal tax return on April 15th. Instead, their entire income tax liability would be withheld at work. There would be no more deciphering statements from mutual funds, no more frantic search for records and receipts, and no last minute dash to the Post Office in order to meet the midnight deadline. According to Treasury Department officials who have studied it, the FASST plan could give at least 70 million Americans the opportunity to elect the no-return option.

Specifically, under the FASST plan, most taxpayers could choose the no-filing option by filling out a slightly modified W-4 form at work. Using tables prepared by the IRS, their employers would determine the employee's exact tax obligation at a single rate of 15 percent on wages, after several major adjustments, and withhold that amount. This amount would satisfy the taxpayer's entire federal income tax obligation for the year, absent some unforeseeable changes in circumstances.

The FASST plan would be available for couples earning up to \$100,000 in wages and no more than \$5,000 in other income such as interest, dividends or capital gains. In the case of individual taxpayers, the wage and non-wage income limits would be \$50,000 and \$2,500, respectively. Popular deductions would continue under this plan: the standard deduction, personal exemptions, the child credit and Earned Income Tax Credit, along with a deduction for home mortgage interest expenses and property taxes. Our bill would include critical savings incentives for average Americans by exempting up to \$5,000 of all interest, dividends and capital gains income from taxation for couples, \$2,500 for singles. Moreover, savings contributions made through employers would be excluded from the wage calculations in the beginning.

Consider some of the advantages of this hassle-free plan:

No taxpayers would lose. If a taxpayer prefers to file an ordinary return, he or she would still have that choice, and no one would be forced to lose a tax deduction that he or she wants to keep.

Wages would be taxed at a single, low rate of 15 percent.

A deduction for home mortgage interest expenses, the Earned Income Tax Credit, and other popular parts of our current tax code would be preserved. Other major tax reform plans would eliminate those deductions, which many people count on.

The alternative minimum tax, AMT, and the marriage penalty would be eliminated.

Compliance costs for taxpayers and government alike would fall. If 70 million Americans chose the FASST op-

tion, hundreds of millions of dollars now spent on paper pushing could be used in more productive ways.

Those taxpayers who continued to file under the old system would get relief too. The plan would reduce the marriage penalty by making the standard deduction for married couples double the amount available for single filers. Also, it would virtually eliminate the complicated AMT for most sole proprietors, farmers and other small businesses by exempting the first \$1 million in self-employment income from the AMT calculations. This legislation also would provide a 50 percent credit for up to \$1,000 in expenses that businesses might incur implementing the FASST plan. In addition, it would grant taxpayers who continue to use the current system a 50 percent tax credit for up to \$200 in tax preparer expenses, provided they file their returns electronically. Finally, the bill would offer individuals a substantial incentive for savings and investment by exempting up to \$500 of dividend and interest income, \$1,000 for couples.

Our bill is both simple and fair, and it gives most taxpayers the choice to avoid the annual tax filing nightmare that they have come to dread.

In testimony before a Senate subcommittee last year, IRS Commissioner Rossotti testified that it's "unquestionable that this bill provides significant tax simplification." Imagine how much better life would be if April 15th were just another day. Under the FASST plan, for millions of Americans, that could be true.

I ask unanimous consent that the full text of this bill be printed in the RECORD.

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

S. 551

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

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE

(a) **SHORT TITLE.**—This Act may be cited as the "Fair and Simple Shortcut Tax Plan".

(b) **AMENDMENT OF 1986 CODE.**—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

TITLE I—FAIR AND SIMPLE SHORTCUT TAX PLAN

SEC. 101. FAIR AND SIMPLE SHORTCUT TAX PLAN.

(a) **IN GENERAL.**—Subchapter A of chapter 1 (relating to determination of tax liability) is amended by adding at the end the following:

PART VIII—FAIR AND SIMPLE SHORTCUT TAX PLAN

- “Sec. 60. Tax on individuals electing FASST.
- “Sec. 60A. Computation of applicable taxable income.
- “Sec. 60B. Credit against tax.
- “Sec. 60C. Election.
- “Sec. 60D. Liability for tax.

“SEC. 60. TAX ON INDIVIDUALS ELECTING FASST.

“(a) **TAX IMPOSED.**—If an individual who is an eligible taxpayer has an election in effect under this part for a taxable year, there is hereby imposed a tax equal to 15 percent of the taxpayer's applicable taxable income.

“(b) **COORDINATION WITH OTHER TAXES.**—The tax imposed by this section shall be in lieu of any other tax imposed by this subchapter. The preceding sentence shall not apply to taxes described in section 26(b)(2) other than subparagraph (A) thereof.

“SEC. 60A. COMPUTATION OF APPLICABLE TAXABLE INCOME.

“(a) **IN GENERAL.**—For purposes of this part, the term 'applicable taxable income' means the taxpayer's applicable wage income, minus—

“(1) the standard deduction,

“(2) the deductions for personal exemptions provided in section 151, and

“(3) the homeowner expense deduction allowable under subsection (c).

“(b) APPLICABLE WAGE INCOME.

—For purposes of this part—

“(1) **IN GENERAL.**—The term 'applicable wage income' means, with respect to an individual, wages received by such individual for the taxable year for services performed as an employee of an employer.

“(2) **EMPLOYMENT.**—The term 'employment' has the meaning given such term in section 3121(b).

“(3) **WAGES.**—The term 'wages' has the meaning given such term in section 3401(a).

“(c) HOMEOWNER EXPENSE DEDUCTION ALLOWED.

“(1) **IN GENERAL.**—For purposes of subsection (a), there shall be allowed as a deduction for the taxable year an amount equal to the product of—

“(A) \$5,000, and

“(B) a fraction, the numerator of which is the number of months in such year in which the taxpayer owned and used property as the taxpayer's principal residence (within the meaning of section 121) and the denominator of which is 12.

“(2) SPECIAL RULES.

—For purposes of this subsection—

“(A) **MARRIED INDIVIDUALS.**—In the case of a married individual, the ownership and use requirements of paragraph (1) shall be treated as met for any month if either spouse meets them.

“(B) **DIVORCE; COOPERATIVE HOUSING.**—Rules similar to the rules of paragraphs (3) and (4) of section 121(d) shall apply.

“(C) **OUT-OF-RESIDENCE CARE.**—If a taxpayer becomes physically or mentally impaired while owning and using property as a principal residence, then the taxpayer shall be treated as meeting the ownership and use requirements of paragraph (1) during any period the taxpayer owns the property and resides in any facility (including a nursing home) licensed by a State or political subdivision to care for an individual in the taxpayer's condition.

“SEC. 60B. CREDITS AGAINST TAX.

“No credit shall be allowed against the tax imposed by this part other than—

“(1) the credit allowable under section 24 (relating to child tax credit),

“(2) the credit allowable under section 32 (relating to earned income credit), and

“(3) the credit for overpayment of tax under section 6402.

“SEC. 60C. ELECTION.

“(a) **ELECTION.**—An eligible taxpayer may elect to have this part apply for any taxable year.

“(b) ELIGIBLE TAXPAYER.

“(1) **IN GENERAL.**—For purposes of this part, the term 'eligible taxpayer' means, with respect to any taxable year, a taxpayer who receives—

“(A) applicable wage income in an amount not in excess of—

“(i) \$100,000, in the case of a taxpayer described in section 1(a), and

“(ii) 50 percent of the amount in effect under clause (i) for the taxable year, in the case of any other taxpayer, and

“(B) gross income (determined without regard to applicable wage income) in an amount not in excess of—

“(i) \$5,000, in the case of a taxpayer described in section 1(a), and

“(ii) 50 percent of the amount in effect under clause (i) for the taxable year, in the case of any other taxpayer.

“(2) EXCLUSIONS.—The term ‘eligible taxpayer’ shall not include—

“(A) a married individual unless the individual and the spouse both have the same taxable year and both make the election,

“(B) a nonresident alien individual, or

“(C) an estate or trust.

“(3) INFLATION ADJUSTMENTS.—In the case of a taxable year beginning after 2002, each dollar amount under paragraph (1) shall be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2001’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(b) FORM OF ELECTION.—

“(1) IN GENERAL.—An individual shall make an election to have this part apply for any taxable year by furnishing an election certificate to such individual’s employer not later than the close of the first payroll period after the individual commences work for such employer or January 1 of the taxable year to which such election relates, whichever is later.

“(2) CONTENTS OF CERTIFICATE.—The election certificate furnished under paragraph (1) shall—

“(A) contain such information as the Secretary requires to enable the Secretary to carry out this part and enable the employer to withhold the appropriate amount of wages under section 3402, and

“(B) contain a certification by the employee under penalty of perjury that the information furnished is correct.

“(3) AMENDMENT OF CERTIFICATE.—A new election certificate shall be filed within 30 days after the date of any change in the information required under paragraph (2).

“(4) ELECTION CERTIFICATE.—For purposes of this section, the term ‘election certificate’ means the withholding exemption certificate used for purposes of chapter 24.

“(5) ADVANCE PAYMENT OF EARNED INCOME AMOUNT.—The Secretary shall prescribe such regulations as may be necessary to allow an eligible taxpayer to treat an election certificate furnished under this section as including an earned income eligibility certificate under section 3507 in the case of an eligible individual claiming the earned income credit under section 32.

“(c) PERIOD ELECTION IN EFFECT.—

“(1) IN GENERAL.—Except as provided in paragraph (2), an election under this section shall be effective for the taxable year for which it is made and all subsequent taxable years.

“(2) TERMINATION.—An election under this part shall terminate with respect to an individual for any taxable year and all subsequent taxable years if at any time during such taxable year such individual—

“(A) is no longer an eligible taxpayer,

“(B) elects to terminate such individual’s election, or

“(C) commits fraud with respect to any information required to be provided under this section.

“(d) SAFE HARBOR FOR INELIGIBILITY.—In the case of an individual who has a termination under subsection (c)(2)(A), no addition to tax under section 6654 shall apply to any underpayment attributable to eligible wage income of such individual for such taxable year if such underpayment was not due to fraud, negligence, or disregard of rules or regulations (within the meaning of section 6662).

“(e) MARITAL STATUS.—For purposes of this part, marital status shall be determined under section 7703.

SEC. 60D. LIABILITY FOR TAX.

“(a) AMOUNT WITHHELD TREATED AS SATISFACTION OF LIABILITY.—Except as provided in this section, any amount withheld as tax under section 3402(t) for an eligible individual with an election in effect under section 60C for the taxable year shall be treated as complete satisfaction of liability for the tax imposed by section 60(a) for such taxable year.

“(b) EXCEPTIONS.—Notwithstanding subsection (a)—

“(1) OVERPAYMENT.—If the amount withheld as tax under section 3402(t) for an eligible taxpayer with an election in effect under section 60C for the taxable year exceeds the tax imposed under section 60(a) for the taxable year, the excess amount shall be treated as an overpayment for purposes of section 6402.

“(2) UNDERPAYMENT.—

“(A) IN GENERAL.—If the Secretary determines that the amount withheld as tax under section 3402(t) for an eligible taxpayer is less than the tax imposed under section 60(a) and such underpayment is not due to fraud, the Secretary may assess and collect such underpayment in the same manner as if such underpayment were on account of a mathematical or clerical error appearing on a return of the individual for the taxable year.

“(B) DE MINIMIS EXCEPTION.—If the amount by which the tax imposed by section 60(a) exceeds the amount withheld as tax under section 3402(t) by less than the lesser of \$100 or 10 percent of the tax so imposed, the taxpayer shall be treated as having no underpayment.

“(C) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section, including regulations—

“(1) to allow a refund of an overpayment under subsection (b)(1) to a taxpayer without requiring additional filing of information by the taxpayer, and

“(2) to notify taxpayers of eligibility for credits allowable under section 60B and allow a claim and refund of any credit not claimed by an eligible taxpayer during the taxable year.”.

“(b) WITHHOLDING FROM WAGES.—Section 3402 (relating to income tax collected at source) is amended by adding at the end the following new subsection:

“(t) WITHHOLDING UNDER THE FAIR AND SIMPLE SHORTCUT TAX PLAN.—

“(1) IN GENERAL.—An employer making payment of wages to an individual with an election in effect under section 60C shall deduct and withhold upon such wages a tax (in lieu of the tax required to be deducted and withheld under subsection (a)) determined in accordance with tables prescribed by the Secretary in accordance with paragraph (2).

“(2) WITHHOLDING TABLES.—The Secretary shall prescribe 1 or more tables which set forth amounts of wages and income tax to be deducted and withheld based on information furnished to the employer in the employee’s election form and to ensure that the aggregate amount withheld from such employee’s wages approximates the tax liability of such

individual for the taxable year. Any tables prescribed under this paragraph shall—

“(A) apply with respect to the amount of wages paid during such periods as the Secretary may prescribe, and

“(B) be in such form, and provide for such amounts to be deducted and withheld, as the Secretary determines to be most appropriate to carry out the purposes of this chapter and to reflect the provisions of chapter 1 applicable to such periods, including taking into account any credits allowable under section 24 or 32.

The Secretary shall provide that any other provision of this section shall not apply to the extent such provision is inconsistent with the provisions of this subsection.

“(2) ELECTION CERTIFICATE.—

“(A) IN GENERAL.—In lieu of a withholding exemption certificate, an employee shall furnish the employer with a signed election certificate and any amended election certificate at such time and containing such information as required under section 60C.

“(B) WHEN CERTIFICATE TAKES EFFECT.—

“(i) FIRST CERTIFICATE FURNISHED.—An election certificate furnished to an employer in cases in which no previous such certificate is in effect shall take effect as of the beginning of the first payroll period ending, or the first payment of wages made without regard to a payroll period, on or after the date on which such certificate is so furnished.

“(ii) REPLACEMENT CERTIFICATE.—An election certificate furnished to an employer which replaces an earlier certificate shall take effect as of the beginning of the 1st payroll period ending (or the 1st payment of wages made without regard to a payroll period) on or after the 30th day after the on which the replacement certificate is so furnished.”.

“(c) WAIVER OF REQUIREMENT TO FILE RETURN OF INCOME.—Subsection (a)(1)(A) of section 6012 (relating to persons required to make return of income) is amended by striking “or” at the end of clause (iii), by striking the period at the end of clause (iv) and inserting “, or”, and by inserting after clause (iv) the following new clause:

“(v) who is an eligible taxpayer with an election in effect for the taxable year under section 60C.”.

“(d) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of parts for subchapter A of chapter 1 is amended by adding at the end the following new item:

“Part VIII. Fair and Simple Shortcut Tax Plan.”.

(2) Section 6654(a) is amended by inserting “and section 60C(d)” after “this section”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 102. TAX CREDIT FOR EMPLOYER FASST PLAN START-UP COSTS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

“SEC. 45E. FASST PLAN EMPLOYER START-UP CREDIT.

“(a) CREDIT ALLOWED.—

“(1) IN GENERAL.—For purposes of section 38, the Fair and Simple Shortcut Tax plan start-up credit determined under this section for the taxable year is an amount equal to the lesser of—

“(A) 50 percent of eligible start-up costs of the taxpayer for the taxable year, or

“(B) \$1,000.

“(2) MAXIMUM CREDIT.—The maximum credit allowed with respect to a taxpayer under this subsection for all taxable years shall not exceed the amount determined under paragraph (1) for all taxable years.

“(b) ELIGIBLE START-UP COSTS.—For purposes of this section, the term ‘eligible start-up costs’ means amounts paid or incurred by an employer (or any predecessor) during the 1 year period beginning on the date on which the employer first employs 1 or more employees with an election in effect under section 60C for the taxable year, in connection with carrying out the withholding requirements of section 3402.

“(c) CREDIT AVAILABLE FOR EACH WORKSITE.—If a taxpayer maintains a separate worksite for employees, such person shall be treated as a single employer with respect to such worksite for purposes of the credit allowable under subsection (a).”.

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) is amended—

(A) by striking “plus” at the end of paragraph (12),

(B) by striking the period at the end of paragraph (13), and inserting a comma and “plus”, and

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

“(14) the Fair and Simple Shortcut Tax plan start-up credit determined under section 45E.”.

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

“Sec. 45E. Fair and Simple Shortcut Tax plan start-up credit.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

TITLE II—PROVISIONS TO SIMPLIFY THE TAX CODE

SEC. 201. REDUCTION IN MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Section 63(c)(2) (relating to basic standard deduction) is amended to read as follows:

“(2) BASIC STANDARD DEDUCTION.—For purposes of paragraph (1), the basic standard deduction is—

“(A) 200 percent of the amount under subparagraph (C) for the taxable year, in the case of a joint return or a surviving spouse (as defined in section 2(a)).

“(B) 150 percent of such amount, in the case of a head of household (as defined in section 2(b)), and

“(C) \$3,000, in the case of an individual who is not married and who is not a surviving spouse or head of household or a married individual filing a separate return.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 202. ALTERNATIVE MINIMUM TAX EXCLUSION OF SELF-EMPLOYMENT INCOME AND CERTAIN ITEMS OF PREFERENCE AND ADJUSTMENTS.

(a) INCREASED EXEMPTION FOR SELF-EMPLOYMENT INCOME.—Section 55(d)(1) (relating to exemption amount for taxpayers other than corporations) is amended to read as follows:

“(1) EXEMPTION AMOUNT FOR TAXPAYERS OTHER THAN CORPORATIONS.—In the case of a taxpayer other than a corporation, the term ‘exemption amount’ means the sum of—

“(A) an amount equal to—

“(i) \$45,000 in the case of—

“(I) a joint return, or

“(II) a surviving spouse,

“(ii) \$33,750 in the case of an individual who—

“(I) is not a married individual, or

“(II) is not a surviving spouse, and

“(iii) \$22,500 in the case of—

“(I) a married individual who files a separate return, or

“(II) an estate or trust, and

“(B) an amount equal to the lesser of—

“(i) the self employment income (as defined in section 1402(b)) of the taxpayer for the taxable year, or

“(ii) \$1,000,000.

For purposes of this paragraph, the term ‘surviving spouse’ has the meaning given to such term by section 2(a), and marital status shall be determined under section 7703.”.

(b) EXCLUSION OF CERTAIN ITEMS OF PREFERENCE AND ADJUSTMENTS.—Section 55 (relating to alternative minimum tax imposed) is amended by adding at the end the following new subsection:

“(f) SPECIAL RULE FOR SMALL BUSINESSES.—

“(1) IN GENERAL.—For purposes of this part, in computing the alternative minimum taxable income of a taxpayer to which this subsection applies for any taxable year—

“(A) no adjustments provided in section 56 which are attributable to a trade or business of the taxpayer shall be made, and

“(B) taxable income shall not be increased by any item of tax preference described in section 57 which is so attributable.

“(2) APPLICATION.—

“(A) IN GENERAL.—This subsection shall apply to a taxpayer for a taxable year if the taxpayer is not a corporation and the gross receipts of the taxpayer for the taxable year from all trades or businesses do not exceed \$1,000,000.

“(B) SPECIAL RULES.—Rules similar to the rules of paragraphs (2), (3)(B), and (3)(C) of section 448(c) shall apply for purposes of this subsection.”.

(c) CONFORMING AMENDMENTS.—Section 55(d)(3) is amended—

(1) by striking “paragraph (1)(A)” and inserting “paragraph (1)(A)(i)” in subparagraph (A),

(2) by striking “paragraph (1)(B)” and inserting “paragraph (1)(A)(ii)” in subparagraph (B),

(3) by striking “paragraph (1)(C)” and inserting “paragraph (1)(A)(iii)” in subparagraph (C), and

(4) by striking “paragraph (1)(C)(i)” and inserting “paragraph (1)(A)(iii)(I)” in the second sentence.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 203. NONREFUNDABLE TAX CREDIT FOR TAX PREPARATION EXPENSES.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to non-refundable personal credits) is amended by adding at the end the following new section:

“SEC. 25B. TAX PREPARATION EXPENSES.

“(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the lesser of—

“(1) 50 percent of the qualified tax preparation expenses of the taxpayer for the taxable year, or

“(2) \$100.

“(b) QUALIFIED TAX PREPARATION EXPENSES.—For purposes of this section, the term ‘qualified tax preparation expenses’ means expenses paid or incurred during the taxable year by an individual in connection with the preparation of the taxpayer’s Federal income tax return for such taxable year, but only if such return is electronically filed. Such term shall include any expenses related to an income tax return preparer.

“(c) DENIAL OF DEDUCTION.—No deduction shall be allowed under this chapter for any amount taken into account in determining the credit under this section.”.

(b) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of sub-

chapter A of chapter 1 is amended by adding at the end the following new item:

“Sec. 25B. Tax preparation expenses.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenses paid or incurred for taxable years beginning after December 31, 2001.

SEC. 204. EXEMPTION OF CERTAIN INTEREST AND DIVIDEND INCOME FROM TAX.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to amounts specifically excluded from gross income) is amended by inserting after section 115 the following new section:

“SEC. 116. PARTIAL EXCLUSION OF DIVIDENDS AND INTEREST RECEIVED BY INDIVIDUALS.

“(a) EXCLUSION FROM GROSS INCOME.—In the case of an individual who does not have an election in effect under section 60C for the taxable year, gross income does not include dividends and interest otherwise includible in gross income which are received during the taxable year by such individual.

“(b) LIMITATION.—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed \$500 (\$1,000 in the case of a joint return).

“(c) CERTAIN DIVIDENDS EXCLUDED.—Subsection (a) shall not apply to any dividend from a corporation which, for the taxable year of the corporation in which the distribution is made, or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 (relating to certain charitable, etc., organization) or section 521 (relating to farmers’ cooperative associations).

“(d) SPECIAL RULES.—For purposes of this section—

“(1) TREATMENT OF CERTAIN DIVIDENDS.—

“**For treatment of dividends received from regulated investment companies and real estate investment trusts, see sections 854(a), 854(b), and 857(c).**

“(2) CERTAIN NONRESIDENT ALIENS INELIGIBLE FOR EXCLUSION.—In the case of a nonresident alien individual, subsection (a) shall apply only—

“(A) in determining the tax imposed for the taxable year under section 871(b)(1) and only in respect of dividends which are effectively connected with the conduct of a trade or business within the United States, or

“(B) in determining the tax imposed for the taxable year under section 877(b).

“(3) DIVIDENDS FROM EMPLOYEE STOCK OWNERSHIP PLANS.—Subsection (a) shall not apply to any dividend described in section 404(k)..”.

“(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (C) of section 32(c)(5) is amended by striking “or” at the end of clause (i), by striking the period at the end of clause (ii) and inserting “; or”, and by inserting after clause (ii) the following new clause:

“(iii) interest and dividends received during the taxable year which are excluded from gross income under section 116.”.

(2) Subparagraph (A) of section 32(i)(2) is amended by inserting “(determined without regard to section 116)” before the comma.

(3) Subparagraph (B) of section 86(b)(2) is amended to read as follows:

“(B) increased by the sum of—

“(i) the amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax, and

“(ii) the amount of interest and dividends received during the taxable year which are excluded from gross income under section 116.”.

(4) Subsection (d) of section 135 is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

“(4) COORDINATION WITH SECTION 116.—This section shall be applied before section 116.”.

(5)(A) Subsection (a) of section 246A is amended—

(i) by inserting “or the exclusion from gross income under section 116.” after “245(a)” in the matter preceding paragraph (1), and

(ii) by inserting “received by a corporation” after “dividend” in paragraph (1).

(B) Subsection (e) of section 246A is amended by inserting “or the exclusion from gross income under section 116” after “245”.

(6) Paragraph (2) of section 265(a) is amended by inserting before the period “, or to purchase or carry obligations or shares, or to make deposits, to the extent the interest thereon is excludable from gross income under section 116”.

(7) Subsection (c) of section 584 is amended by adding at the end the following new flush sentence:

“The proportionate share of each participant in the amount of dividends or interest received by the common trust fund and to which section 116 applies shall be considered for purposes of such section as having been received by such participant.”.

(8) Subsection (a) of section 643 is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

“(7) DIVIDENDS OR INTEREST.—There shall be included the amount of any dividends or interest excluded from gross income under section 116.”.

(9)(A) Subsection (a) of section 854 is amended by inserting “section 116 (relating to partial exclusion of dividends and interest received by individuals) and” after “For purposes of”.

(B) Paragraph (1) of section 854(b) is amended—

(i) by striking “subparagraph (A)” in subparagraph (B) and inserting “subparagraphs (A) and (B)”,

(ii) by redesignating subparagraph (B) as subparagraph (C), and

(iii) by inserting after subparagraph (A) the following new subparagraph:

“(B) EXCLUSION UNDER SECTION 116.—If the aggregate dividends and interest received by a regulated investment company during any taxable year are less than 95 percent of its gross income, then, in computing the exclusion under section 116, rules similar to the rules of subparagraph (A) shall apply.”.

(C) Paragraph (2) of section 854(b) is amended by inserting “the exclusion under section 116 and” after “for purposes of”.

(10) Subsection (c) of section 857 is amended to read as follows:

“(c) RESTRICTIONS APPLICABLE TO DIVIDENDS RECEIVED FROM REAL ESTATE INVESTMENT TRUSTS.—For purposes of section 116 (relating to partial exclusion of dividends and interest received by individuals) and section 243 (relating to deductions for dividends received by corporations), a dividend received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.”.

(11) The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 115 the following new item:

“Sec. 116. Partial exclusion of dividends and interest received by individuals.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

By Mr. WELLSTONE:

S. 553. A bill to help establish and enhance early childhood family education

programs, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. WELLSTONE. Mr. President, today I am introducing legislation that creates a competitive grant program modeled on one of Minnesota’s greatest successes in education, the Early Childhood and Family Education program. Let me first mention my gratitude to some of the finest educators my home state has to offer—Betty Cooke, Lois Engstrom, Jackie Anderson, and Don Kramlinger. I would like to also thank Ernie Pines for his vision and spirit and former Minnesota State Senator Jerry Hughes, whose vision for early childhood education in the sixties has led to stronger families today. Of course, I must also thank the many early childhood education coordinators, parent educators, teachers and paraprofessionals in our small rural communities for reaching from within to give parents and their children every opportunity to succeed.

The ECFE program, which has broad bipartisan support in Minnesota, is based on the idea that the family provides a child’s first and most important learning environment, and parents are a child’s first and most significant teachers. ECFE is a voluntary, center-based, parent-child education program that is open to all families in a school district or locality with children under the age of 5 regardless of cost. It provides concurrent or joint classes for parents and children that include training in parenting skills and children’s social, emotional, cognitive and physical development. The classes teach ways for parents to foster strong learning environments for their children and ways to help prepare children for kindergarten. They provide activities geared toward enhancing children’s social, emotional, cognitive and physical development and school readiness.

ECFE is not a child care program, but rather offers parents a few hours a week to get the support they need to be better parents and teachers for their children through discussion groups, play activities for kids, parent-child interactive activities, home visits, early screening for health and developmental problems and community resource referrals.

The program addresses the need of all communities and has been successful in all communities and with all types of families, whether it is dealing with the unique needs of immigrant communities, communities of color, suburban communities, first time families, single parent families, families with members with disabilities, families with a history of abuse and families that for whatever reason, want some extra help and support as they try to be the best parents that they can.

The program in Minnesota has been extraordinarily successful. It is the largest early childhood program in Minnesota and is now offered in districts that together encompass 99 per-

cent of the population of infants and toddlers in the state. 44 percent of all young children and their families participate in the program.

Four different studies of outcomes of the ECFE program have all concluded that ECFE is effective with all types of families. Benefits for children include improved social interactions and relationships, improved social skills, increased self confidence and self-esteem, and improvement in language and communication skills. For parents, ECFE increases the ability to know what is important for children’s healthy growth and development over time, improves their confidence and leads to far higher participation in parental involvement activities in elementary school.

A recent study by the Office of Educational Research and Improvement at the United States Department of Education has described the Minnesota ECFE program as an example of the type of program that can provide children and families with “continuity and [can] ease the critical transition to school.”

The words of parents probably tell the story the best. One parent said, “when my son throws things, I try to keep it in perspective. I no longer yell and slap. I relax and do not push him all the time. I’ve learned different ways to discipline.” Another said, “Raising a child is a wonderful, awesome and sometimes overwhelming experience. It is a shame that a job so important is generally without adequate preparation. ECFE provides some of that preparation, knowledge and support that is vital to being a good parent. It is not a frill, it is a necessity.”

Recently, I had the opportunity to spend a morning at the South Washington County School’s ECFE program. There I met with a group of parents who were committed to being the best parents they could be. I met a father who was learning English, a single mother who was learning child raising skills from other mothers in the class, and a new immigrant from Korea who talked of the isolation she felt before meeting other parents in her community. This program was a model as it combined Early Childhood Family Education with Adult Basic Education giving parents the tools to not only be great parents, but to learn English and obtain their GED as well. These parents told me that ECFE was teaching them to better parent their children.

Last year, the Minnesota Early Care and Education Finance Commission, a non-partisan Commission dedicated to improving the lives of young children in Minnesota, issued a report called “The Action Plan for Early Care and Education in Minnesota.” That non-partisan Commission, led by Don Fraser, the former Mayor of Minneapolis, and Bob Caddy issued a challenge to the people of my state when they unequivocally concluded that “without question, the importance of the parent child relationship must be asserted as a

fundamental moral value of our state." They asked for a "new covenant between parents and Minnesota."

Today I ask for the same between parents and the United States. The need is so clearly established. 40 percent of all American children enter kindergarten unprepared for school. This is unacceptable. We know that children need to be in a stimulating environment to spur the brain development that is critical to intelligence. We know the role that parents can play in creating that environment. ECFE will help with this.

We have an obligation to do more for children. The whole debate around the elementary and secondary education act and our desire to close the achievement gap between poor and more affluent students will be moot if we do not intervene early. The achievement gap is greatest when children start school. If we want children to have an equal start, we have to start with our youngest children. ECFE is not the only answer, but it is one way to meet this covenant so aptly called for in Minnesota, that we have with our parents and our children.

By Mrs. MURRAY (for herself, Ms. COLLINS, Ms. MIKULSKI, Ms. CANTWELL, Mr. COCHRAN, and Mr. CHAFEE):

S. 554. A bill to amend title XVIII of the Social Security Act to expand medicare coverage of certain self-injected biologicals; to the Committee on Finance.

Mrs. MURRAY. Mr. President, today I am pleased to be joined by Senators COLLINS, MIKULSKI, CANTWELL, COCHRAN, and CHAFEE in introducing the Access to Innovation for Medicare Patients Act of 2001. This legislation will give Medicare patients access to innovative medical treatments that are convenient and affordable and will remove a bureaucratic burden to promising new drugs.

For many years, patients with diseases like rheumatoid arthritis, multiple sclerosis, hepatitis C and deep vein thrombosis could only get effective treatments in a doctor's office. This method of drug delivery puts a great burden on patients with limited mobility.

Fortunately, in recent years, new medical technologies have created promising drug treatments that patients can use in their own homes. These drugs don't have to be administered by a doctor. Patients can inject the drugs themselves. So instead of traveling to a doctor's office several times a week, patients can now get the same treatments in their own homes. These new treatments, known as self-injectable biologics, mean patients can save time and have a better quality of life.

Biologics are genetically-engineered proteins that must be infused or injected into a patient to be effective. If swallowed orally, biologics simply pass through the body during the digestion

process and are not absorbed into the system. These drugs represent a major breakthrough in disease treatment and management.

Today, many patients with private insurance and those on Medicaid have coverage for many self-injectable biologics. Unfortunately, patients on Medicare do not. Today, Medicare discriminates against these effective medical treatments and patients are feeling the impact.

The time has come to remove this unfair burden and give Medicare patients access to self-injectable biologics. As sponsors of this bill, we believe that Medicare should not discriminate against patients who are treated with the same drugs either in a doctor's office or at home. The bill we are introducing today will correct this mistake and ensure that Medicare patients have access to safe, promising drugs.

Our legislation has been endorsed by the Arthritis Foundation, the American Public Health Association, National Association of Retired Federal Employees, National Council on the Aging, National Farmers Union, National Hispanic Council on Aging, Association of Jewish Aging Services and the Visiting Nurses Associations of America.

I want my colleagues to understand that this bill does not address the broader need for prescription drug coverage overall. Congress still must address that hole in the Medicare system. But this bill does correct a clear mistake in Medicare's payment rules for self-injectable biologics.

This unfair policy has several consequences. First, it prevents patients from getting the treatments they need. The FDA has recently approved several new self injected biologics to treat rheumatoid arthritis, multiple sclerosis, hepatitis C and deep vein thrombosis. Medicare beneficiaries should have immediate access to these new treatments without delay. Many of these diseases hinder a patient's mobility and quality of life. It is difficult to explain to these patients that in order to have treatments covered they must travel to their physicians office once, twice or even three times a week. Many of these patients are disabled and depend on family or friends for transportation. Patients in rural areas are particularly hurt by this policy, where their doctor may be many miles away. These patients might have to drive 50 or 60 miles a week. For individuals living on fixed income, this policy is especially difficult.

This outdated policy hits women the hardest. As many of my colleagues know, more women are covered by Medicare, and women are twice as likely as men to live with a disabling, chronic condition. Women are also twice as likely as men to live in poverty after age 65. Older women or disabled women simply do not have the same economic resources as men. In addition, many of the illnesses that

could be treated with self injected biologics strike women in larger numbers. Rheumatoid arthritis and multiple sclerosis most often affect women. Any policy that limits access to new innovative treatments for rheumatoid arthritis and multiple sclerosis places women at a severe disadvantage.

In addition to the impact this policy has on patients, it also affect drug development. This practice discourages drug companies from offering patients new drugs that are self-injectable. That can hinder innovations and developments in biotechnology research. In the future, companies may choose not to develop self injected biologics. Our policies should promote new drug development, not discourage it.

As you know, the U.S. Senate has voted overwhelmingly to doubling NIH funding to encourage more research. It's one of my top priorities, and we are on track. However, I am troubled that patients on Medicare might not benefit from our efforts. It is counterproductive to invest in medical research, but then deny Medicare beneficiaries the fruits of that investment.

I would like to briefly mention one particular new self-injected biologic treatment that has literally changed the lives of hundreds of RA patients. This particular treatment, Enbrel, took well over 10 years to develop and bring to patients. Since its introduction, however, it has dramatically improved the lives of RA sufferers. I have heard from many patients about how Enbrel has allowed them to remain productive and how it has dramatically reduced their daily pain and suffering. Since RA can and does lead to disability, preventing or delaying the disabled effects of this disease means huge economic savings for all of us. Medicare should not discriminate against this new, patient-friendly therapy simply because it is self-injected.

I urge my colleagues to carefully review this legislation and to talk to patients and health providers about how an outdated policy hinders access and discourages innovation and how the measure we are introducing today can give Medicare patients access to innovative drugs.

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

S. 555. A bill to amend the Federal Food, Drug, and Cosmetic Act to require the Secretary of Health and Human Services to establish a tolerance for the presence of methylmercury in seafood, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. LEAHY. Mr. President, last month the Food and Drug Administration issued new consumer guidance, warning pregnant women, women of childbearing age, nursing mothers, and young children not to eat shark, swordfish, king mackerel, and tilefish in order to avoid exposure to methylmercury. I commend the FDA

for issuing this guidance, which is important information for the most vulnerable members of our population. Unfortunately, despite acknowledging the problem of mercury contamination in large fish, the FDA still has not revised its so-called “action level,” which is important data for consumers and local governments, nor do they enforce this level. There is a lot more to be done to protect the public, and after so many years of delays, we should not wait any longer.

That is why Senator Harkin and I are introducing important legislation today to promote food safety and protect thousands of Americans, especially pregnant women and young children, from the serious risks of methylmercury. The “Mercury-Safe Seafood Act of 2001” requires the Food and Drug Administration to establish a formal tolerance for safe methylmercury levels in seafood. It mandates seafood testing to ensure compliance, along with public education and health advisories to inform the public.

Mercury is a dangerous poison that is still not fully regulated in the United States. According to the Environmental Protection Agency, coal-fired power plants, waste incinerators, and other sources spew 150 tons of mercury into the atmosphere each year. Although new and expected EPA rules address much of this pollution, full compliance and large emission reductions are still years away. Much of this mercury returns to earth with rain to pollute our waterways. It accumulates in fish as methylmercury, especially in large predatory species, and is passed on to the humans who eat these fish. Methylmercury is a powerful neurotoxin that affects the human central nervous system. It is especially harmful to pregnant women, infants, and young children, where even small doses can cause permanent damage to their developing brains and nervous systems.

Last year’s comprehensive report by the National Academy of Sciences, “Toxicological Effects of Methylmercury,” estimates that 60,000 newborns each year may be at risk from prenatal mercury exposure. Two weeks ago, the Centers for Disease Control released preliminary results from an ongoing study showing that 10 percent of American women may have potentially hazardous levels of mercury. This means that a lot more newborns may be at risk. This is a public health problem we cannot ignore.

Certain commercial seafood species—large predators such as swordfish, shark, mackerel, and tuna—can have dangerously high levels of methylmercury contamination. Food and Drug Administration data throughout the 1990’s showed numerous fish samples with high mercury levels, exceeding FDA’s own action level and presenting a direct hazard to consumers. FDA stopped testing for mercury in 1998, which means they have no

way to enforce their action level. Yet recent testing by independent organizations still shows high mercury levels in some fish species.

FDA’s action level of 1.0 part per million was established in 1979 using information from the 1970’s, without regard for the greater vulnerability of pregnant women, infants, and children. More recent studies have highlighted the damaging effects of mercury, especially for these populations. In 1997, EPA’s “Mercury Study Report to Congress” recommended a level five times more strict than FDA’s action level, and this was confirmed by last year’s National Academy of Sciences report. FDA’s current action level, even if there were sampling and enforcement, is not stringent enough to protect the most vulnerable American consumers from mercury.

Last month the General Accounting Office released a report on seafood safety, at the request of Senator HARKIN and Senator LUGAR. That report confirms that FDA has not acted vigorously enough to address the issue of mercury in seafood.

This bill seeks to remedy these problems. It amends the Federal Food, Drug, and Cosmetic Act to require a tolerance level for methylmercury in seafood, with special attention to pregnant women, infants, and children. This will replace FDA’s outdated and unenforced action level with a formal tolerance that must be enforced. It mandates ongoing sampling of mercury levels to ensure compliance. This will restart the testing which FDA stopped three years ago. It mandates public education and health advisories to ensure the public is aware of the new standards and of the risks of mercury contamination in seafood. It requires consideration of last year’s National Academy of Sciences report, which clearly shows the need for prompt, strong action. Finally, it authorizes modest appropriations to support not only FDA’s sampling and public education but also the efforts of our States to protect our citizens from methylmercury in freshwater fish.

I enjoy fishing and I love eating fish. This legislation is not meant to harm the fishing industry—it is meant to help bring the safest fish to market for the American consumer. Most importantly, this bill will protect pregnant women and young children who may now unknowingly be exposed to high levels of mercury. No one can dispute the science that tells us mercury is toxic and unsafe at certain levels in fish. We need to bring those levels down. But, until we do, we also need to keep the food supply safe for all Americans—especially those most at risk.

We have a responsibility to protect the American public, especially our children. Until such time as mercury emissions are drastically reduced and seafood is no longer contaminated, we must take this action to protect Americans from this dangerous pollutant.

The American Public Health Association has endorsed this bill.

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

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

S. 555

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 “Mercury-Safe Seafood Act of 2001”.

SEC. 2. FINDINGS.

Congress finds that—

(1) mercury pollution from coal-fired power plants, waste incinerators, and other anthropogenic sources continues to contaminate inland waterways and territorial waters of the United States;

(2) mercury accumulates in fish as methylmercury and is passed on to humans that eat those fish;

(3) methylmercury is a potent neurotoxin that, even in small quantities—

(A) can cause serious damage to the human central nervous system and adverse effects on many other systems in the human body;

(B) is especially harmful to pregnant women and young children; and

(C) puts an estimated 60,000 newborns at risk for adverse neurodevelopmental effects each year in the United States from in utero exposure;

(4) certain commercial seafood species can have dangerously high levels of methylmercury, as evidenced by Food and Drug Administration data acquired in the 1990’s, up to the time that the agency discontinued domestic sampling in 1998;

(5) the Food and Drug Administration’s long-standing action level of 1.0 parts per million for methylmercury in fish—

(A) is out of date; and

(B) according to scientific evidence, does not adequately protect pregnant women and young children;

(6) the comprehensive Mercury Study Report to Congress issued by the Environmental Protection Agency in December 1997 recommended a methylmercury consumption limit of 0.1 micrograms per kilogram of body weight per day, which is 5 times lower than the Food and Drug Administration’s current action level;

(7) the report entitled “Toxicological Effects of Methylmercury”, issued by the National Academy of Sciences in July 2000, confirmed that the Environmental Protection Agency’s limit is “scientifically justifiable for the protection of public health”;

(8) the report entitled “Food Safety: Federal Oversight of Seafood Does Not Sufficiently Protect Consumers”, issued by the General Accounting Office in February 2001, highlights the inadequacies of Food and Drug Administration guidance regarding methylmercury in commercial seafood;

(9) many States have been forced to issue mercury advisories for inland waterways and health warnings regarding the fish that may be caught in those waterways; and

(10) some States have also issued mercury advisories for commercial seafood.

SEC. 3. TOLERANCE FOR METHYLMERCURY IN SEAFOOD.

Chapter IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341 et seq.) is amended—

(1) in section 402(a)(2), by inserting after “section 512; or” the following: “(D) if it is seafood that bears or contains methylmercury that is unsafe within the meaning of section 406(a); or”; and

(2) by inserting after section 406 the following:

“SEC. 406A. TOLERANCE FOR METHYLMERCURY IN SEAFOOD.”

“(a) IN GENERAL.—Not later than 1 year after the date of enactment of this section, the Secretary shall by regulation establish a tolerance for the presence of methylmercury in seafood.

“(b) REQUIREMENTS.—The tolerance established under subsection (a) shall—

“(1) be based on a scientific analysis of the health risks attributable to methylmercury; and

“(2) be set at a level for which the Secretary determines that there is a reasonable certainty that no harm will result from aggregate exposure to methylmercury in seafood, including all anticipated dietary exposures for which there is reliable information.

“(c) SEAFOOD DEEMED UNSAFE.—Any seafood bearing or containing methylmercury shall be deemed to be unsafe for purposes of section 402(a)(2)(D) unless the quantity of methylmercury is within the limits of the tolerance.

“(d) PREGNANT WOMEN, INFANTS, AND CHILDREN.—In establishing or modifying the tolerance under subsection (a), the Secretary shall ensure that there is a reasonable certainty that no harm will result to pregnant women, infants, and children from aggregate exposure to methylmercury.

“(e) SAMPLING SYSTEM.”

“(1) IN GENERAL.—Not later than 18 months after the date of enactment of this section, the Secretary, after consultation with the Secretary of Agriculture, shall establish a system for the collection and analysis of samples of seafood to determine the extent of compliance with the tolerance under subsection (a).

“(2) MONITORING.—The sampling system shall provide statistically valid monitoring (including market-basket studies) with respect to compliance with the tolerance.

“(3) AVOIDANCE OF DUPLICATION OF EFFORT.—To the extent practicable, the sampling system shall be consistent with, and shall be coordinated with, other seafood sampling systems that are in use, so as to avoid duplication of effort.

“(f) PUBLIC EDUCATION AND ADVISORY SYSTEM.”

“(1) PUBLIC EDUCATION.—The Secretary, in cooperation with private and public organizations (including cooperative extension services and appropriate State entities) shall design and implement a national public education program regarding the presence of methylmercury in seafood.

“(2) FEATURES.—The program shall provide—

“(A) information to the public regarding—

“(i) Federal standards and good practice requirements; and

“(ii) promotion of public awareness, understanding, and acceptance of the standards and requirements;

“(B) information to health professionals so that health professionals may improve diagnosis and treatment of mercury-related illness and advise individuals whose health conditions place those individuals at particular risk; and

“(C) such other information or advice to consumers and other persons as the Secretary determines will promote the purposes of this section.

“(3) HEALTH ADVISORIES.—The Secretary, in consultation with the Secretary of Agriculture and the Administrator of the Environmental Protection Agency, shall work with the States and other appropriate entities to—

“(A) develop and distribute regional and national advisories concerning the presence of methylmercury in seafood;

“(B) develop standardized formats for written and broadcast advisories regarding methylmercury in seafood; and

“(C) incorporate State and local advisories into the national public education program under paragraph (1).”

SEC. 4. CONSIDERATION OF REPORT OF NATIONAL ACADEMY OF SCIENCES.

In carrying out section 406A(a) of the Federal Food, Drug, and Cosmetic Act (as added by section 3), the Secretary of Health and Human Services, acting through the Commissioner of Food and Drugs, shall consider the findings of the National Academy of Sciences regarding the Environmental Protection Agency’s recommended level for methylmercury exposure and the presence of methylmercury in seafood, as such findings are described in the report issued by the National Academy of Sciences in July 2000.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

(a) SAMPLING.—There is authorized to be appropriated to carry out sampling under section 406A(e) of the Federal Food, Drug, and Cosmetic Act (as added by section 3) \$500,000 for each of fiscal years 2002 through 2011.

(b) PUBLIC EDUCATION AND ADVISORY SYSTEM.—There is authorized to be appropriated to develop and implement the public education and advisory system under section 406A(f) of the Federal Food, Drug, and Cosmetic Act (as added by section 3) \$500,000 for each of fiscal years 2002 through 2011.

(c) STATE SUPPORT.”

(1) IN GENERAL.—There is authorized to be appropriated to support efforts of the States to sample noncommercial fish and inland waterways for mercury and to produce State-specific health advisories related to mercury \$2,000,000 for each of fiscal years 2002 through 2011.

(2) EQUITABLE DISTRIBUTION.—The Administrator of the Environmental Protection Agency shall distribute amounts made available under paragraph (1) equitably among the States through programs in existence on the date of enactment of this Act.

SEC. 6. REPORT.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of Health and Human Services, acting through the Commissioner of Food and Drugs, shall submit to Congress a report on the progress of the Secretary in establishing the tolerance required by section 406A of the Federal Food, Drug, and Cosmetic Act (as added by section 3).

(b) CONTENTS.—The report shall include a description of the research that has been conducted or reviewed with respect to the tolerance.

By Mr. JEFFORDS (for himself, Mr. LIEBERMAN, Ms. COLLINS, Mr. SCHUMER, Ms. SNOWE, Mrs. FEINSTEIN, Mr. LEAHY, Mrs. CLINTON, Mr. KERRY, Mr. DODD, Mr. TORRICELLI, Mr. CORZINE, Mr. KENNEDY, Mr. REED, and Mrs. BOXER):

S. 556. A bill to amend the Clean Air Act to reduce emissions from electric powerplants, and for other purposes; to the Committee on Environment and Public Works.

Mr. JEFFORDS. Mr. President, today I am here to announce the introduction of the Clean Power Act of 2001 which reduces emissions from power plants of the four primary air pollutants. These four pollutants, nitrogen oxides, sulfur dioxide, mercury, and carbon dioxide are the major cause of the nation’s most serious public health and environmental problems: smog, soot, acid rain, mercury contamination, and global

warming. The Clean Power Act set standards for these four serious pollutants that are both cost-effective and technologically feasible.

The 1970 Clean Air Act, and its subsequent amendments, were enacted to improve the quality of our nation’s air. This was a major milestone in environmental legislation. I was proud to be one of the principle negotiators of the 1990 amendments to the Clean Air Act. Those were important steps to take to improve the quality of our Nation’s air and since that time we have made significant headway in that direction. Although current legislation sets standards for nitrogen oxides and sulfur dioxide, they are at levels that we now know are far too high to protect us from the devastating effects of resulting smog, acid rain, and increased respiratory disease. Currently, there is no standard for carbon dioxide pollution, the primary greenhouse gas responsible for global warming, and no standard for mercury emissions, a dangerous pollutant linked to cognitive and developmental ailments in children and responsible for fish advisories in forty states. Therefore, there is still much to be done to protect the quality of our nation’s air and now is the time to take the next step.

Electric generating power plants are our nation’s single largest source of air pollution and greenhouse gas emissions. Annual power plants emissions are responsible for 64 percent of the nation’s sulfur dioxide, or 13 million tons, 26 percent of the nitrogen oxides, or 6 million tons, 40 percent of the carbon dioxide, that’s over 2 billion tons, and 52 tons of mercury.

Updating electric power plants represent the most cost-effective way to reduce emissions of nitrogen oxides and sulfur dioxide. Many of the most polluting power plants were exempt from stringent controls imposed by the original Clean Air Act and today, after more than 30 years, they are still in use. As a result, these outdated power plants can emit between 10 and 100 times the amount of nitrogen oxides and sulfur dioxide pollution emitted by a modern power plant.

Sulfur dioxide fine particle pollution for U.S. power plants cuts short the lives of over 30,000 people each year. Ground-level ozone smog triggers over 6.2 million asthma attacks each summer in the eastern United States alone; another 160,000 people are sent to the emergency room and 53,000 are hospitalized due to smog induced respiratory distress. The National Academy of Sciences’ National Research Council has concluded that over 60,000 children are born in the U.S. each year at risk for adverse neurodevelopmental effects due to in utero exposure to mercury. Over forty states have issued fish consumption advisories to mitigate this threat. Power plants are our nation’s largest unregulated source of mercury emissions.

Fortunately, we now have technologies available that will permit

power plants to reach the levels set in the Clean Power Act. The nitrogen oxides, sulfur dioxide and mercury reductions are set at levels in the Clean Power Act that are known to be cost effective with available technologies. The Clean Power Act will allow power plants to use market-oriented mechanisms in order to reach these much needed emissions standards for nitrogen oxides, sulfur dioxide and carbon dioxide. Therefore, with new technologies at our disposal and trading mechanisms providing flexibility to the utilities, we no longer need to compromise the health of our great nation; neither it's citizens nor it's environment. We only need the will to act.

By Mr. DOMENICI (for himself and Mr. BINGAMAN).

S. 557. A bill to clarify the tax treatment of payments made under the Cerro Grande Fire Assistance Act; to the Committee on Finance.

Mr. DOMENICI. Mr. President, this is a simple bill that stands for the proposition that when the Federal Government burns your house down it is not a taxable event.

I can't believe any member of this chamber would argue that the Federal Government is so hard up for revenue that it would try to tax the very payment that it makes to someone whose home, business, and community it burned down.

Let me summarize the events:

The Park Service decided to start a fire—a so-called "controlled burn."

The Park Service didn't follow its own guidelines regarding when it is safe to conduct a controlled burn.

They lit a fire when the rules were clear that they shouldn't.

The fire raged out of control and burned 48,000 acres.

It burned down hundreds of homes and businesses.

No dispute that this fire should never have been set.

Congress passed a bill to compensate the victims for their losses.

When Congress passed the Cerro Grande Fire Assistance Act we were assured that the FEMA payments to the victims of the Cerro Grande Fire would not be taxed under current law.

Well, apparently there are some in the IRS who now have a different view.

While it only took Congress 50 days from the day the fire was lit to the day legislation creating the claims process was signed into law, it has taken the IRS at least seven months to answer pretty basic questions, and the best they can offer is that people have extra time to file their income taxes.

These victims should be paid. They should rebuild their lives and the IRS shouldn't be trying to tax the payments that are intended to put them back to the same place they were on the day before the Park Service lit the fire.

I hope my colleagues will support me in expeditiously passing this bill.

By Mr. MCCAIN (for himself, Mr. DASCHLE, Mr. INOUYE, Mr. BAUCUS, and Mr. CAMPBELL):

S. 558. A bill to amend the Internal Revenue Code of 1986 to provide tax credits for investment in Indian reservation economic development, and for other purposes; to the Committee on Finance.

Mr. MCCAIN. Mr. President, I am pleased to introduce legislation, along with my colleagues, Senators DASCHLE, INOUYE, BAUCUS and CAMPBELL, to foster economic investment, development, and growth in Native American communities. This legislation would establish investment tax credits that will serve to attract private sector investments on Indian reservations.

As a nation, the United States ranks third in entrepreneurial activity among the world's leading economies. The level of entrepreneurial activity in the country remains strong despite recent fluctuations in the market. However, what also remains are deep pockets of poverty in our country that have not substantially improved along with the economic growth that has swept the rest of our Nation, and those areas include Native American reservations.

During my tenure in the Congress, I have worked on various legislative initiatives to help Indian tribes address the problems and barriers they face in attracting private sector activity onto reservation areas. Indian country, both historically and at the present time, cannot successfully compete with other areas in attracting businesses due to the unique issues affecting Indian country, such as jurisdictional complexities, taxation, and infrastructure deficits. Most Indian communities continue to struggle to provide basic jobs, infrastructure, housing and telephone service to tribal members.

Some of my colleagues might only be aware of the handful of Indian tribes that have been successful in generating economic revenues through gaming activities. However, for the majority of Indian tribes, the main economic activity is the kind generated by federal or tribal government employment. I understand why this is the case, but I also believe that free enterprise must be allowed to flow freely on Indian lands as it does in the rest of our nation.

By their very nature, governments, including tribal governments, simply are not good at running businesses. I know this is acknowledged by many tribes, who, consistent with their cultural traditions, have created tribal corporations or cooperative ventures that mix private sector business with tribal principles. I believe that private investment needs to be encouraged on Indian reservations if we are to see a significant improvement in the economies of Indian tribes.

The investment tax credits we are proposing today are geared specifically to Indian reservations where there is economic need. The full credit is available to those reservations whose Indian unemployment rate exceeds the Na-

tion's average unemployment by 300 percent. One-half of the credit is available on reservations where the unemployment rate is 150 to 300 percent of the national average. No investment tax credit is provided where the Indian unemployment rate is less than 150 percent of the national average. The bill is restricted to non-gaming related economic activity, which would prevent the investment from being used for development and/or operation of gaming establishments on Indian reservations.

While this legislation may not be the panacea for all the economic ills afflicting Indian reservations today, I believe that the adoption of a specific program of Indian tax incentives would be a critical step toward the goal of providing Indian tribal governments with the opportunity to strengthen their economies.

In previous Congresses, I have offered amendments to the federal tax code to create incentives for private sector investment on Indian reservations and remove inequities in the tax code so that tribal governments can enjoy the same tax benefits accorded other non-taxable government entities. I have offered these provisions, not to provide an advantage to Indians, but merely to give them the same kind of tax incentives and benefits the Congress has given other economically depressed areas and other units of government. We have been successful in enacting a few measures, but given the extremely underdeveloped economies of Native American communities, I believe we should enact these additional tax incentives.

My colleagues and I are sponsoring this measure today because we believe these investment tax credits are necessary to reach out to those tribal communities that do not have the economic advantage of living near a booming metropolitan area, or do not enjoy the benefits of Indian gaming revenue. We believe that a strategy of tax incentives such as this legislation proposes is the most effective way that the federal government can act to stimulate reservation economic development. Tax incentives do not depend for their effectiveness on the actions of federal bureaucracies that are often slow-moving and unimaginative. The incentives are usable only by viable businesses ready and able to invest in Indian communities, which will consequently foster a strong entrepreneurial environment on Native American reservations.

I look forward to working with my respective colleagues on both sides of the aisle to enact this important legislation. I ask unanimous consent that the text of bill be printed in the RECORD.

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

S. 558

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 Reservation Economic Investment Act of 2001".

SEC. 2. INVESTMENT TAX CREDIT FOR PROPERTY ON INDIAN RESERVATIONS.

(a) ALLOWANCE OF INDIAN RESERVATION CREDIT.—Section 46 of the Internal Revenue Code of 1986 (relating to investment credits) is amended by striking “and” at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting “, and”, and by adding after paragraph (3) the following new paragraph:

“(4) the Indian reservation credit.”.

(b) AMOUNT OF INDIAN RESERVATION CREDIT.—

(1) IN GENERAL.—Section 48 of such Code (relating to the energy credit and the reforestation credit) is amended by adding after subsection (b) the following new subsection:

“(c) INDIAN RESERVATION CREDIT.—

“(1) IN GENERAL.—For purposes of section 46, the Indian reservation credit for any taxable year is the Indian reservation percentage of the qualified investment in qualified Indian reservation property placed in service during such taxable year, determined in accordance with the following table:

In the case of qualified The Indian reservation The Indian reservation percentage is—

Reservation personal property	10
New reservation construction property.	15
Reservation infrastructure investment.	15

(2) QUALIFIED INVESTMENT IN QUALIFIED INDIAN RESERVATION PROPERTY DEFINED.—For purposes of this subpart—

“(A) IN GENERAL.—The term ‘qualified Indian reservation property’ means property—

“(i) which is—

“(I) reservation personal property;

“(II) new reservation construction property; or

“(III) reservation infrastructure investment; and

“(ii) not acquired (directly or indirectly) by the taxpayer from a person who is related to the taxpayer (within the meaning of section 465(b)(3)(C)).

The term ‘qualified Indian reservation property’ does not include any property (or any portion thereof) placed in service for purposes of conducting or housing class I, II, or III gaming (as defined in section 4 of the Indian Gaming Regulatory Act (25 U.S.C. 2703)).

“(B) QUALIFIED INVESTMENT.—The term ‘qualified investment’ means—

“(i) in the case of reservation infrastructure investment, the amount expended by the taxpayer for the acquisition or construction of the reservation infrastructure investment; and

“(ii) in the case of all other qualified Indian reservation property, the taxpayer’s basis for such property.

“(C) RESERVATION PERSONAL PROPERTY.—The term ‘reservation personal property’ means qualified personal property which is used by the taxpayer predominantly in the active conduct of a trade or business within an Indian reservation. Property shall not be treated as ‘reservation personal property’ if it is used or located outside the Indian reservation on a regular basis.

“(D) QUALIFIED PERSONAL PROPERTY.—The term ‘qualified personal property’ means property—

“(i) for which depreciation is allowable under section 168;

“(ii) which is not—

“(I) nonresidential real property;

“(II) residential rental property; or

“(III) real property which is not described in subclause (I) or (II) and which has a class life of more than 12.5 years.

For purposes of this subparagraph, the terms ‘nonresidential real property’, ‘residential

rental property’, and ‘class life’ have the respective meanings given such terms by section 168.

“(E) NEW RESERVATION CONSTRUCTION PROPERTY.—The term ‘new reservation construction property’ means qualified real property—

“(i) which is located in an Indian reservation;

“(ii) which is used by the taxpayer predominantly in the active conduct of a trade or business within an Indian reservation; and

“(iii) which is originally placed in service by the taxpayer.

“(F) QUALIFIED REAL PROPERTY.—The term ‘qualified real property’ means property for which depreciation is allowable under section 168 and which is described in subclause (I), (II), or (III) of subparagraph (D)(ii).

“(G) RESERVATION INFRASTRUCTURE INVESTMENT.—

“(i) IN GENERAL.—The term ‘reservation infrastructure investment’ means qualified personal property or qualified real property which—

“(I) benefits the tribal infrastructure;

“(II) is available to the general public; and

“(III) is placed in service in connection with the taxpayer’s active conduct of a trade or business within an Indian reservation.

“(ii) PROPERTY MAY BE LOCATED OUTSIDE THE RESERVATION.—Qualified personal property and qualified real property used or located outside an Indian reservation shall be reservation infrastructure investment only if its purpose is to connect to existing tribal infrastructure in the reservation, and shall include, but not be limited to, roads, power lines, water systems, railroad spurs, and communications facilities.

“(H) COORDINATION WITH OTHER CREDITS.—

The term ‘qualified Indian reservation property’ shall not include any property with respect to which the energy credit or the rehabilitation credit is allowed.

“(3) REAL ESTATE RENTALS.—For purposes of this section, the rental to others of real property located within an Indian reservation shall be treated as the active conduct of a trade or business in an Indian reservation.

“(4) INDIAN RESERVATION DEFINED.—For purposes of this subpart, the term ‘Indian reservation’ means—

“(A) a reservation, as defined in section 4(10) of the Indian Child Welfare Act of 1978 (25 U.S.C. 1903(10)), or

“(B) lands held under the provisions of the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) by a Native corporation as defined in section 3(m) of such Act (43 U.S.C. 1602(m)).

“(5) LIMITATION BASED ON UNEMPLOYMENT.—

“(A) GENERAL RULE.—The Indian reservation credit allowed under section 46 for any taxable year shall equal—

“(i) if the Indian unemployment rate on the applicable Indian reservation for which the credit is sought exceeds 300 percent of the national average unemployment rate at any time during the calendar year in which the property is placed in service or during the immediately preceding 2 calendar years, 100 percent of such credit;

“(ii) if such Indian unemployment rate exceeds 150 percent but not 300 percent, 50 percent of such credit; and

“(iii) if such Indian unemployment rate does not exceed 150 percent, 0 percent of such credit.

“(B) SPECIAL RULE FOR LARGE PROJECTS.—

In the case of a qualified Indian reservation property which has (or is a component of a project which has) a projected construction period of more than 2 years or a cost of more than \$1,000,000, subparagraph (A) shall be applied by substituting ‘during the earlier of the calendar year in which the taxpayer enters into a binding agreement to make a

qualified investment or the first calendar year in which the taxpayer has expended at least 10 percent of the taxpayer’s qualified investment, or the preceding calendar year’ for ‘during the calendar year in which the property is placed in service or during the immediately preceding 2 calendar years’.

“(C) DETERMINATION OF INDIAN UNEMPLOYMENT.—For purposes of this paragraph, with respect to any Indian reservation, the Indian unemployment rate shall be based upon Indians unemployed and able to work, and shall be certified by the Secretary of the Interior.

“(6) COORDINATION WITH NONREVENUE LAWS.—Any reference in this subsection to a provision not contained in this title shall be treated for purposes of this subsection as a reference to such provision as in effect on the date of the enactment of this paragraph.

(2) LODGING TO QUALIFY.—Paragraph (2) of section 50(b) of such Code (relating to property used for lodging) is amended by striking “and” at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting “; and”, and by adding at the end the following subparagraph:

“(B) new reservation construction property.”.

(c) RECAPTURE.—Subsection (a) of section 50 of such Code (relating to recapture in case of dispositions, etc.), is amended by adding at the end the following new paragraph:

“(6) SPECIAL RULES FOR INDIAN RESERVATION PROPERTY.—

“(A) IN GENERAL.—If, during any taxable year, property with respect to which the taxpayer claimed an Indian reservation credit—

“(i) is disposed of; or

“(ii) in the case of reservation personal property—

“(I) otherwise ceases to be investment credit property with respect to the taxpayer; or

“(II) is removed from the Indian reservation, converted, or otherwise ceases to be Indian reservation property,

the tax under this chapter for such taxable year shall be increased by the amount described in subparagraph (B).

“(B) AMOUNT OF INCREASE.—The increase in tax under subparagraph (A) shall equal the aggregate decrease in the credits allowed under section 38 by reason of section 48(c) for all prior taxable years which would have resulted had the qualified investment taken into account with respect to the property been limited to an amount which bears the same ratio to the qualified investment with respect to such property as the period such property was held by the taxpayer bears to the applicable recovery period under section 168(g).

“(C) COORDINATION WITH OTHER RECAPTURE PROVISIONS.—In the case of property to which this paragraph applies, paragraph (1) shall not apply and the rules of paragraphs (3), (4), and (5) shall apply.”.

(d) BASIS ADJUSTMENT TO REFLECT INVESTMENT CREDIT.—Paragraph (3) of section 50(c) of such Code (relating to basis adjustment to investment credit property) is amended by striking “energy credit or reforestation credit” and inserting “energy credit, reforestation credit, or Indian reservation credit other than with respect to any expenditure for new reservation construction property”.

(e) CERTAIN GOVERNMENTAL USE PROPERTY TO QUALIFY.—Paragraph (4) of section 50(b) of such Code (relating to property used by governmental units or foreign persons or entities) is amended by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively, and by inserting after subparagraph (C) the following new subparagraph:

“(D) EXCEPTION FOR RESERVATION INFRASTRUCTURE INVESTMENT.—This paragraph

shall not apply for purposes of determining the Indian reservation credit with respect to reservation infrastructure investment.”.

(f) APPLICATION OF AT-RISK RULES.—Subparagraph (C) of section 49(a)(1) of such Code is amended by striking “and” at the end of clause (ii), by striking the period at the end of clause (iii) and inserting “, and”, and by adding at the end the following new clause:

“(iv) the qualified investment in qualified Indian reservation property.”.

(g) CLERICAL AMENDMENTS.—

(1) Section 48 of such Code is amended by striking the heading and inserting the following:

“SEC. 48. ENERGY CREDIT; REFORESTATION CREDIT; INDIAN RESERVATION CREDIT.”.

(2) The table of sections for subpart E of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 48 and inserting the following:

“Sec. 48. Energy credit; reforestation credit; Indian reservation credit.”.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2001.

By Mr. ALLARD:

S. 559. A bill to reform the financing of Federal elections; to the Committee on Rules and Administration.

Mr. ALLARD. Mr. President, I realize that I am not going out on a limb here, but I want to say this: I support Campaign Finance Reform. To that end, today I am introducing the Campaign Finance Integrity Act of 2001.

My bill would:

Require candidates to raise at least 50 percent of their contributions from individuals in the state or district in which they are running.

Equalize contributions from individuals and political action committees, PACs, by raising the individual limit from \$1000 to \$2500 and reducing the PAC limit from \$5000 to \$2500.

Index individual and PAC contribution limits for inflation.

Reduce the influence of a candidate's personal wealth by allowing political party committees to match dollar for dollar the personal contribution of a candidate above \$5000.

Require corporations and labor organizations to seek separate, voluntary authorization of the use of any dues, initiative fees or payment as a condition of employment for political activity, and requires annual full disclosure of those activities to members and shareholders.

Prohibit depositing an individual contribution by a campaign unless the individual's profession and employer are reported.

Encourage the Federal Election Commission to allow filing of reports by fax machines and other emerging technologies and to make that information accessible to the public on the Internet less than 24 hours of receipt.

Ban the use of taxpayer financed mass mailings.

This is common sense campaign finance reform. It drives the candidate back into his district or state to raise money from individual contributions. It has some of the most open, full and timely disclosure requirements of any other campaign finance bill in either the Senate or the House of Representatives. I strongly believe that sunshine is the best disinfectant.

The right of political parties, groups and individuals to say what they want

in a political campaign is preserved—but the right of the public to know how much they are spending and what they are saying is also recognized. I have great faith that the public can make its own decisions about campaign discourse if it is given full and timely information.

(3) recognizes the critical importance of the National Guard and Reserve components to the security of the United States; and

(4) supports providing the necessary resources to ensure the continued readiness of the National Guard and Reserve.

AMENDMENTS SUBMITTED AND PROPOSED

SA 104. Mrs. CLINTON (for herself and Mr. HATCH) proposed an amendment to the bill S. 420, to amend title II, United States Code, and for other purposes.

SA 105. Mr. LEAHY proposed an amendment to the bill S. 420, *supra*.

SA 106. Mr. HATCH (for himself and Mr. LEAHY) proposed an amendment to the bill S. 420, *supra*.

SA 107. Mr. ENSIGN (for himself and Mr. REID) proposed an amendment to the bill S. 420, *supra*.

SA 108. Mrs. BOXER proposed an amendment to the bill S. 420, *supra*.

SA 109. Mr. GRASSLEY proposed an amendment to the bill S. 420, *supra*.

TEXT OF AMENDMENTS

SA 104. Mrs. CLINTON (for herself and Mr. HATCH) proposed an amendment to the bill S. 420, to amend title II, United States Code, and for other purposes; as follows:

At page 80, on line 25, after “resides” insert the following: “, land the holder of the claim.”.

SA 105. Mr. LEAHY proposed an amendment to the bill S. 420, to amend title II, United States Code, and for other purposes; as follows:

On page 138, line 19, strike “5-year” and insert “3-year”.

SA 106. Mr. HATCH (for himself and Mr. LEAHY) proposed an amendment to the bill S. 420, to amend title II, United States Code, and for other purposes; as follows:

On page 187, line 20, strike “(25)” and insert “(24)”.

On page 187, line 21, strike “(26)” and insert “(25)”.

On page 191, strike line 25 and insert the following:

(2) in subsection (i), as so redesignated, by inserting “and subject to the prior rights of holders of security interests in such goods or the proceeds thereof,” after “consent of a creditor.”;

On page 192, line 1, strike “(2)” and insert “(3)”.

On page 199, line 4, strike “through (5)” and insert “and (4)”.

On page 255, line 8, strike “(26)” and insert “(25)”.

On page 255, line 10, strike “(27)” and insert “(26)”.

On page 278, line 9, strike “(28)” and insert “(27)”.

On page 281, line 23, strike “(28)” and insert “(27)”.

On page 347, line 21, strike “to, under” and insert “to and under”.

On page 347, line 24, strike “to, under” and insert “to and under”.

On page 348, line 13, strike “to, under” and insert “to and under”.

On page 348, line 17, strike “(27)” and insert “(26)”.

On page 348, line 19, strike “(28)” and insert “(27)”.

On page 349, line 8, strike “to, under” and insert “to and under”.