S. 606

At the request of Mr. CRAPO, the names of the Senator from Pennsylvania (Mr. SPECTER) and the Senator from Colorado (Mr. CAMPBELL) were added as a cosponsors of S. 606, a bill to provide additional authority to the Office of Ombudsman of the Environmental Protection Agency.

S. 613

At the request of Mr. FITZGERALD, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 613, a bill to amend the Internal Revenue Code of 1986 to enhance the use of the small ethanol producer credit.

S. 630

At the request of Mr. BURNS, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 630, a bill to prohibit senders of unsolicited commercial electronic mail from disguising the source of their messages, to give consumers the choice to cease receiving a sender's unsolicited commercial electronic mail messages, and for other purposes.

S. 697

At the request of Mr. BAUCUS, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 697, a bill to modernize the financing of the railroad retirement system and to provide enhanced benefits to employees and beneficiaries.

S. 705

At the request of Mr. SCHUMER, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 705, a bill to establish a health information technology grant program for hospitals and for skilled nursing facilities and home health agencies, and to require the Secretary of Health and Human Services to establish and implement a methodology under the medicare program for providing hospitals with reimbursement for costs incurred by such hospitals with respect to information technology systems.

S. 778

At the request of Mr. HAGEL, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 778, a bill to expand the class of beneficiaries who may apply for adjustment of status under section 245(i) of the Immigration and Nationality Act by extending the deadline for classification petition and labor certification filings.

S. 783

At the request of Mr. LEAHY, the names of the Senator from South Dakota (Mr. DASCHLE) and the Senator from New Jersey (Mr. CORZINE) were added as cosponsors of S. 783, a bill to enhance the rights of victims in the criminal justice system, and for other purposes.

S. RES. 68

At the request of Mr. JOHNSON, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. Res. 68, a resolution designating September 6, 2001 as ''National Crazy Horse Day.''

S. RES. 74

At the request of Mr. DAYTON, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. Res. 74, a resolution expressing the sense of the Senate regarding consideration of legislation providing medicare beneficiaries with outpatient prescription drug coverage.

S. RES. 75

At the request of Mr. HUTCHINSON, the names of the Senator from Missouri (Mr. BOND), the Senator from Missouri (Mrs. CARNAHAN), the Senator from Louisiana (Mr. BREAUX), the Senator from New Jersey (Mr. CORZINE), and the Senator from Maine (Ms. COLLINS) were added as cosponsors of S. Res. 75, a resolution designating the week beginning May 13, 2001, as ''National Biotechnology Week.''

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TORRICELLI (for himself and Ms. SNOWE):

S. 819. A bill to amend the Public Health Service Act and Employee Retirement Income Security Act of 1974 to require that group and individual health insurance coverage and group health plans provide coverage for qualified individuals for bone mass measurement (bone density testing) to prevent fractures associated with osteoporosis; to the Committee of Health, Education, Labor, and Pensions.

Mr. TORRICELLI. Mr. President, I rise today to introduce the Early Detection and Prevention of Osteoporosis and Related Bone Diseases Act of 2001 along with my colleague from Maine, Senator SNOWE.

Osteoporosis and other related bone diseases pose a major public health threat. More than 28 million Americans, 80 percent of whom are women, suffer from, or are at risk for, osteoporosis. Between three and four million Americans suffer from related bone diseases like Paget's disease or osteogenesis imperfecta. Today, in the United States, 10 million individuals already have osteoporosis and 18 million more have low bone mass, placing them at increased risk. Osteoporosis is preventable through the use of new technology, yet the majority of Americans with the disease remain undiagnosed and untreated.

Osteoporosis is often called the ''silent disease'' because bone loss occurs without symptoms. Often people do not know they have osteoporosis until their bones become so weak that a sudden bump or fall causes a fracture or a vertebrae to collapse. Every year, there are 1.5 million bone fractures caused by osteoporosis. Half of all women, and one-eighth of all men, age 50 or older, will suffer a bone fracture due to osteoporosis.

The consequences of osteoporosis are often unrecognized. In New Jersey, individuals hospitalized with osteoporosis fractures average 9.3 days in the hospital for hip fracture and 71 days for vertebral fracture. National statistics show that 10 to 20 percent of people with hip fracture either die within six months, cannot walk without aid or require long-term care. Education is needed to encourage individuals and their providers to diagnose osteoporosis early and treat the disease swiftly, preventing costly and debilitating fractures.

Osteoporosis is a progressive condition that has no known cure; thus, prevention and treatment are key. The Early Detection and Prevention of Osteoporosis and Related Bone Diseases Act of 2001 seeks to combat osteoporosis, and related bone diseases like Paget's disease by requiring private health plans to cover bone mass measurement tests for qualified individuals who are at risk for developing osteoporosis.

Bone mass measurement is the only reliable method of detecting osteoporosis in its early stages. The test is non-invasive and painless and is predictive of future fractures as high cholesterol or high blood pressure is of heart disease or stroke. This legislation is similar to a provision in the Balanced Budget Act of 1997 that requires Medicare coverage of bone mass measurements.

Medical experts agree that osteoporosis is preventable. Thus, if the toll of osteoporosis and other related bones diseases are to be reduced, the commitment to prevention and treatment must be significantly increased.

The bill is supported by the National Osteoporosis Foundation, American Medical Women's Association, American Society for Bone & Mineral Research, Osteogenesis Imperfecta Foundation, National Association of Orthopedic Nurses, American Physical Therapy Association and the Health Promotion Institute.

I ask unanimous consent 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. 819

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

SECTION 1. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the ''Early Detection and Prevention of Osteoporosis and Related Bone Diseases Act of 2001''.

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

(1) NATURE OF OSTEOPOROSIS.—

(A) Osteoporosis is a disease characterized by low bone mass and structural deterioration of bone tissue leading to bone fragility and increased susceptibility to fractures of the hip, spine, and wrist.

(B) Osteoporosis has no symptoms and typically remains undiagnosed until a fracture occurs.

(C) Once a fracture occurs, the condition has usually advanced to the stage where the likelihood is high that another fracture will occur.

(D) There is no cure for osteoporosis, but drug therapy has been shown to reduce new hip and spine fractures by 50 percent and other treatments, such as nutrition therapy, have also proven effective.

(2) INCIDENCE OF OSTEOPOROSIS AND RELATED BONE DISEASES.—

(A) 28,000,000 Americans have (or are at risk for) osteoporosis, 80 percent of which are women.

(B) Osteoporosis is responsible for 1.5 million bone fractures annually, including more than 300,000 hip fractures, 700,000 vertebral fractures and 200,000 fractures of the wrists.

(C) Half of all women, and one-eighth of all men, age 50 or older will have a bone fracture due to osteoporosis.

(D) Between 3,000,000 and 4,000,000 Americans have Paget's disease, osteogenesis imperfecta, hyperparathyroidism, and other related metabolic bone diseases.

(3) IMPACT OF OSTEOPOROSIS.—The cost of treating osteoporosis is significant:

(A) The annual cost of osteoporosis in the United States is $13,800,000,000 and is expected to increase precipitously because the proportion of the population comprised of older persons is expanding and each generation of older persons tends to have a higher incidence of osteoporosis than preceding generations.

(B) The average cost in the United States of repairing a hip fracture due to osteoporosis is $32,000.

(C) Fractures due to osteoporosis frequently result in disability and institutionalization of individuals.

(D) Because osteoporosis is a progressive condition causing fractures primarily in aging individuals, preventing fractures, particularly for post menopausal women before they become eligible for medicare, has a significant potential of reducing osteoporosis-related costs under the medicare program.

(4) USE OF BONE MASS MEASUREMENT.—

(A) Bone mass measurement is the only reliable method of detecting osteoporosis at an early stage.

(B) Low bone mass is as predictive of future fractures as is high cholesterol or high blood pressure of heart disease or stroke.

(C) Bone mass measurement is a noninvasive, painless, and reliable way to diagnose osteoporosis before costly fractures occur.

(D) Under section 4106 of the Balanced Budget Act of 1997, Medicare provides coverage, effective July 1, 1999, for bone mass measurement for qualified individuals who are at risk of developing osteoporosis.

(5) RESEARCH ON OSTEOPOROSIS AND RELATED BONE DISEASES.—

(A) Technology now exists, and new technology is developing, that will permit the early diagnosis and prevention of osteoporosis and related bone diseases as well as management of these conditions once they develop.

(B) Funding for research on osteoporosis and related bone diseases is severely constrained at key research institutes, including the National Institute of Arthritis and Musculoskeletal and Skin Diseases, the National Institute on Aging, the National Institute of Diabetics and Digestive and Kidney Diseases, the National Institute of Dental Research, and the National Institute of Child Health and Human Development.

(C) Further research is needed to improve medical knowledge concerning—

(i) cellular mechanisms related to the processes of bone resorption and bone formation, and the effect of different agents on bone remodeling;

(ii) risk factors for osteoporosis, including newly discovered risk factors, risk factors related to groups not ordinarily studied (such as men and minorities), risk factors related to genes that help to control skeletal metabolism, and risk factors relating to the relationship of aging processes to the development of osteoporosis;

(iii) bone mass measurement technology, including more widespread and cost-effective techniques for making more precise measurements and for interpreting measurements;

(iv) calcium (including bioavailability, intake requirements, and the role of calcium in building heavier and denser skeletons), and vitamin D and its role as an essential vitamin in adults;

(v) prevention and treatment, including the efficacy of current therapies, alternative drug therapies for prevention and treatment, and the role of exercise; and

(vi) rehabilitation.

(D) Further educational efforts are needed to increase public and professional knowledge of the causes of, methods for avoiding, and treatment of osteoporosis.

SEC. 2. REQUIRING COVERAGE OF BONE MASS MEASUREMENT UNDER HEALTH PLANS.

(a) GROUP HEALTH PLANS.—

(1) PUBLIC HEALTH SERVICE ACT AMENDMENTS.—

(A) IN GENERAL.—Subpart 2 of part A of title XXVII of the Public Health Service Act (42 U.S.C. 300gg–4) is amended by adding at the end the following:

"SEC. 2707. STANDARDS RELATING TO BENEFITS FOR BONE MASS MEASUREMENT.

''(a) REQUIREMENTS FOR COVERAGE OF BONE MASS MEASUREMENT.—A group health plan, and a health insurance issuer offering group health insurance coverage, shall include (consistent with this section) coverage for bone mass measurement for beneficiaries and participants who are qualified individuals.

''(b) DEFINITIONS RELATING TO COVERAGE.—In this section:

''(1) BONE MASS MEASUREMENT.—The term 'bone mass measurement' means a radiologic or radioisotopic procedure or other procedure approved by the Food and Drug Administration performed on an individual for the purpose of identifying bone mass or detecting bone loss or determining bone quality, and includes a physician's interpretation of the results of the procedure. Nothing in this paragraph shall be construed as requiring a bone mass measurement to be conducted in a particular type of facility or to prevent such a measurement from being conducted through the use of mobile facilities that are otherwise qualified.

''(2) QUALIFIED INDIVIDUAL.—The term 'qualified individual' means an individual who—

''(A) is an estrogen-deficient woman at clinical risk for osteoporosis;

''(B) has vertebral abnormalities;

''(C) is receiving chemotherapy or long-term gluococorticoid (steroid) therapy;

''(D) has primary hyperparathyroidism, hyperthyroidism, or excess thyroid replacement;

''(E) is being monitored to assess the response to or efficacy of approved osteoporosis drug therapy;

''(F) is a man with a low trauma fracture; or

''(G) the Secretary determines is eligible.

''(c) LIMITATION ON FREQUENCY REQUIRED.—Taking into account the standards established under section 1861(rr)(3) of the Social Security Act, the Secretary shall establish standards regarding the frequency with which a qualified individual shall be eligible to be provided benefits for bone mass measurement under this section. The Secretary may vary such standards based on the clinical and risk-related characteristics of qualified individuals.

''(d) RESTRICTIONS ON COST-SHARING.—

''(1) IN GENERAL.—Subject to paragraph (2), nothing in this section shall be construed as preventing a group health plan or issuer from imposing deductibles, coinsurance, or other cost-sharing in relation to bone mass measurement under the plan (or health insurance coverage offered in connection with a plan).

''(2) LIMITATION.—Deductibles, coinsurance, and other cost-sharing or other limitations for bone mass measurement may not be imposed under paragraph (1) to the extent they exceed the deductibles, coinsurance, and limitations that are applied to similar services under the group health plan or health insurance coverage.

''(e) PROHIBITIONS.—A group health plan, and a health insurance issuer offering group health insurance coverage in connection with a group health plan, may not—

''(1) deny to an individual eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of this section;

''(2) provide incentives (monetary or otherwise) to individuals to encourage such individuals not to be provided bone mass measurements to which they are entitled under this section or to providers to induce such providers not to provide such measurements to qualified individuals;

''(3) prohibit a provider from discussing with a patient osteoporosis preventive techniques or medical treatment options relating to this section; or

''(4) penalize or otherwise reduce or limit the reimbursement of a provider because such provider provided bone mass measurements to a qualified individual in accordance with this section.

''(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require an individual who is a participant or beneficiary to undergo bone mass measurement.

''(g) NOTICE.—A group health plan under this part shall comply with the notice requirement under section 714(g) of the Employee Retirement Income Security Act of 1974 with respect to the requirements of this section as if such section applied to such plan.

''(h) LEVEL AND TYPE OF REIMBURSEMENTS.—Nothing in this section shall be construed to prevent a group health plan or a health insurance issuer offering group health insurance coverage from negotiating the level and type of reimbursement with a provider for care provided in accordance with this section.

''(i) PREEMPTION.—

''(1) IN GENERAL.—The provisions of this section do not preempt State law relating to health insurance coverage to the extent such State law provides greater benefits with respect to osteoporosis detection or prevention.

''(2) CONSTRUCTION.—Section 2723(a)(1) shall not be construed as superseding a State law described in paragraph (1).''.

(B) CONFORMING AMENDMENT.—Section 2723(c) of the Public Health Service Act (42 U.S.C. 300gg–23(c)) is amended by striking ''section 2704'' and inserting ''sections 2704 and 2707''.

(2) ERISA AMENDMENTS.—

(A) IN GENERAL.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185 et seq.) is amended by adding at the end the following:

"SEC. 714. STANDARDS RELATING TO BENEFITS FOR BONE MASS MEASUREMENT.

''(a) REQUIREMENTS FOR COVERAGE OF BONE MASS MEASUREMENT.—A group health plan, and a health insurance issuer offering group health insurance coverage, shall include

(consistent with this section) coverage for bone mass measurement for beneficiaries and participants who are qualified individuals.

''(b) DEFINITIONS RELATING TO COVERAGE.—In this section:

''(1) BONE MASS MEASUREMENT.—The term 'bone mass measurement' means a radiologic or radioisotopic procedure or other procedure approved by the Food and Drug Administration performed on an individual for the purpose of identifying bone mass or detecting bone loss or determining bone quality, and includes a physician's interpretation of the results of the procedure. Nothing in this paragraph shall be construed as requiring a bone mass measurement to be conducted in a particular type of facility or to prevent such a measurement from being conducted through the use of mobile facilities that are otherwise qualified.

''(2) QUALIFIED INDIVIDUAL.—The term 'qualified individual' means an individual who—

''(A) is an estrogen-deficient woman at clinical risk for osteoporosis;

''(B) has vertebral abnormalities;

''(C) is receiving chemotherapy or long-term gluococorticoid (steroid) therapy;

''(D) has primary hyperparathyroidism, hyperthyroidism, or excess thyroid replacement;

''(E) is being monitored to assess the response to or efficacy of approved osteoporosis drug therapy;

''(F) is a man with a low trauma fracture; or

''(G) the Secretary determines is eligible.

''(c) LIMITATION ON FREQUENCY REQUIRED.—The standards established under section 2707(c) of the Public Health Service Act shall apply to benefits provided under this section in the same manner as they apply to benefits provided under section 2707 of such Act.

''(d) RESTRICTIONS ON COST-SHARING.—

''(1) IN GENERAL.—Subject to paragraph (2), nothing in this section shall be construed as preventing a group health plan or issuer from imposing deductibles, coinsurance, or other cost-sharing in relation to bone mass measurement under the plan (or health insurance coverage offered in connection with a plan).

''(2) LIMITATION.—Deductibles, coinsurance, and other cost-sharing or other limitations for bone mass measurement may not be imposed under paragraph (1) to the extent they exceed the deductibles, coinsurance, and limitations that are applied to similar services under the group health plan or health insurance coverage.

''(e) PROHIBITIONS.—A group health plan, and a health insurance issuer offering group health insurance coverage in connection with a group health plan, may not—

''(1) deny to an individual eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of this section;

''(2) provide incentives (monetary or otherwise) to individuals to encourage such individuals not to be provided bone mass measurements to which they are entitled under this section or to providers to induce such providers not to provide such measurements to qualified individuals;

''(3) prohibit a provider from discussing with a patient osteoporosis preventive techniques or medical treatment options relating to this section; or

''(4) penalize or otherwise reduce or limit the reimbursement of a provider because such provider provided bone mass measurements to a qualified individual in accordance with this section.

''(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require an individual who is a participant or beneficiary to undergo bone mass measurement.

''(g) NOTICE UNDER GROUP HEALTH PLAN.—The imposition of the requirements of this section shall be treated as a material modification in the terms of the plan described in section 102(a)(1), for purposes of assuring notice of such requirements under the plan; except that the summary description required to be provided under the last sentence of section 104(b)(1) with respect to such modification shall be provided by not later than 60 days after the first day of the first plan year in which such requirements apply.

''(h) PREEMPTION.—

''(1) IN GENERAL.—The provisions of this section do not preempt State law relating to health insurance coverage to the extent such State law provides greater benefits with respect to osteoporosis detection or prevention.

''(2) CONSTRUCTION.—Section 731(a)(1) shall not be construed as superseding a State law described in paragraph (1).''.

(B) CONFORMING AMENDMENTS.—

(i) Section 731(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1191(c)), as amended by section 603(b)(1) of Public Law 104–204, is amended by striking ''section 711'' and inserting ''sections 711 and 714''.

(ii) Section 732(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1191a(a)), as amended by section 603(b)(2) of Public Law 104–204, is amended by striking ''section 711'' and inserting ''sections 711 and 714''.

(iii) The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 is amended by inserting after the item relating to section 713 the following new item:

''Sec. 714. Standards relating to benefits for bone mass measurement.''.

(b) INDIVIDUAL HEALTH INSURANCE.—

(1) IN GENERAL.—Part B of title XXVII of the Public Health Service Act is amended by inserting after section 2752 (42 U.S.C. 300gg–52) the following new section:

''SEC. 2753. STANDARDS RELATING TO BENEFITS FOR BONE MASS MEASUREMENT.

''(a) IN GENERAL.—The provisions of section 2707 (other than subsection (g)) shall apply to health insurance coverage offered by a health insurance issuer in the individual market in the same manner as it applies to health insurance coverage offered by a health insurance issuer in connection with a group health plan in the small or large group market.

''(b) NOTICE.—A health insurance issuer under this part shall comply with the notice requirement under section 714(g) of the Employee Retirement Income Security Act of 1974 with respect to the requirements referred to in subsection (a) as if such section applied to such issuer and such issuer were a group health plan.

''(c) PREEMPTION.—

''(1) IN GENERAL.—The provisions of this section do not preempt State law relating to health insurance coverage to the extent such State law provides greater benefits with respect to osteoporosis detection or prevention.

''(2) CONSTRUCTION.—Section 2762(a) shall not be construed as superseding a State law described in paragraph (1).''.

(2) CONFORMING AMENDMENTS.—Section 2762(b)(2) of the Public Health Service Act (42 U.S.C. 300gg–62(b)(2)) is amended by striking ''section 2751'' and inserting ''sections 2751 and 2753''.

(c) EFFECTIVE DATES.—

(1) GROUP HEALTH PLANS.—The amendments made by subsection (a) shall apply with respect to group health plans for plan years beginning on or after October 1, 2001.

(2) INDIVIDUAL MARKET.—The amendments made by subsection (b) shall apply with respect to health insurance coverage offered, sold, issued, renewed, in effect, or operated in the individual market on or after October 1, 2001.

By Mr. WYDEN (for himself and Mr. CRAIG):

S. 820. A bill to amend the Energy Policy Act of 1992 to assess opportunities to increase carbon storage on national forests derived from the public domain and to facilitate voluntary and accurate reporting of forest projects that reduce atmospheric carbon dioxide concentrations, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. WYDEN. Mr. President, today Senator CRAIG and I are introducing legislation that uses a simple, scientifically sound and entirely voluntary approach to combat global warming. It's not revolutionary, and it's not regulatory. We believe growing more trees, bigger trees and healthier trees is one of the most effective ways to remove greenhouse gases from the atmosphere and help protect the earth's climate. The Forest Resources for the environment and the Economy Act of 2001 will expand the nation's forested lands and put our forests on the frontlines in the battle against global warming.

Investing in healthy forests today is an investment in the well-being of our planet for decades to come. In the Pacific Northwest, forests are more than critical environmental resources—they are also a cornerstone of our economy. In debates about forest policies, there are those who have advocated an exclusively environmental pathway, and others who have stressed an exclusively economic pathway. This bill is part of what I believe is a third pathway through the woods, a path to both stronger rural economies and healthier forests.

I introduced this bill with Senator CRAIG in the 106th Congress. Though there have been numerous changes to the bill to address specific concerns, the underlying functions of the bill remain the same: this bill will reduce the buildup of greenhouse gases in the atmosphere and help protect our global climate for ourselves, our children and our grandchildren. It will provide improved wildlife and fish habitats and protect our waterways. It will enhance our national forests by reducing water pollution within their watersheds. It will provide jobs in the forestry sector in areas that have been hard hit by declining timber harvests. And it will grow additional timber resources on underproductive private lands.

The legislation does all of this through entirely voluntary, incentive-based approach. The bill makes new resources available to private landowners through state-operated revolving loan programs that provide assistance for tree planting and other forest management actions. I know that this approach works because of the leadership of my home state, Oregon. The loan

program is modeled after the innovative Forest Resource Trust, which was established in Oregon in 1993, and is just one of the many ways Oregon continues to lead the nation in state actions to reduce greenhouse gas emissions. I am introducing this bill to make sure that we take advantage of these opportunities across the country and encourage more businesses to invest in the nation's forests.

The bill is based on recommendations of the National Academy of Sciences to overcome the capital constraints that prevent non-industrial, private forest land owners from growing healthy forests. Almost 10 million landowners in the United States own 42 percent of the non-industrial, private forest land in parcels of less than 100 acres. Access to the low-interest loans provided by this bill can empower these landowners to improve their lands while providing global environmental protection.

In addition to establishing the state revolving loan programs, the bill makes important changes to the Energy Policy Act of 1992 to strengthen the voluntary accounting and verification of greenhouse gas reductions from forestry activities. The bill directs the Secretary of Agriculture to develop new guidelines on accurate and cost-effective methods to account for and report real and credible greenhouse gas reductions. These guidelines will be developed with the input of a new Advisory Council representing industry, foresters, states, and environment groups.

As I said above, numerous changes have been made to the bill since its introduction in the 106th Congress. By a process of intellectual give and take between various Congressional offices, stakeholder groups and environmental organizations, this bill has been improved to offer greater environmental protection opportunities and better science. The bill now requires that all funded projects have ''a positive impact on watersheds, fish habitats, and wildlife diversity.'' It promotes reforestion activities for species that are native to a region. Also, the bill now allows flexibility in the loan repayment requirements that encourage the longer rotation, and permanent protection, of lands reforested under this program. In addition, the new Advisory Council will have three independent scientists instead of one and the members must have an expertise in forest management; carbon storage reporting will include monitoring requirements to assure the net increase of carbon storage; and the bill allows for the incorporation of the latest scientific and observational information. Overall, this bill is a solid step forward in the long journey towards addressing global climate change.

As in the last Congress, this bill will pay for itself by taking the money that polluters pay when they are caught violating the Clean Air Act and Clean Water Act and use it to expand our forests, protect streams and rivers and help remove greenhouse gases from the air. In fiscal year 1998, $45 million of these environmental penalties were assessed against polluters. There are currently no guarantees that these penalties, which revert to the General Fund, are used to improve our environment. This bill would make this money available as loans to small and medium landowners to cover the upfront costs of tree planting and other activities that aid in the growth of healthy, productive forests and provide better wildlife habitats.

We cannot afford to play Russian roulette with our global climate. The total amount of greenhouse gases in our atmosphere depends, in part, on the efficiency of forests and other natural ''sinks'' that absorb carbon dioxide—the most significant greenhouse gas—from the atmosphere. The implications are as simple as they are scientifically sound—if we grow more trees, bigger trees, and healthier trees, we will remove more greenhouse gases from the atmosphere and help protect the global climate. According to the Pacific Forest Trust, our forest lands in the United States are only storing one-quarter of the carbon they can ultimately store. Just tapping a portion of this potential by expanding and increasing the productivity of the nation's 737 million acres of forests is an important part of a win-win strategy to slow global warming. This bill takes an important first step toward sequestering greenhouse gases on Federal lands: it directs the Forest Service to report to Congress on options to increase carbon storage in our national forests.

It is hard to believe that nine years ago, during the first Bush Administration, both Democrat and Republican Senators proclaimed their support for taking action to protect the climate system and reducing the buildup of greenhouse gases in the atmosphere. When the 1992 United Nations Framework Convention on Climate Change was ratified by the Senate, Senators from both parties came to the floor to applaud this commitment to begin reducing greenhouse gas emissions. And then-President Bush supported that position as well. We cannot afford to let the current debates about international treaties paralyze this Congress when their are opportunities here at home to protect our environment in ways that also provide jobs and economic growth.

This bill is about taking advantage of a clear win-win opportunity. It's a win for the global environment. It's a win for sustainable forestry. It's a win for local water protection. And it's a win for rural communities. For these reasons, the bill has already received positive reactions from timber companies and environmental organizations alike, including the National Association of State Foresters and the Society of American Foresters, American Forest and Paper Association, American Forests, Environmental Defense Fund, Governor John A. Kitzhaber of Oregon, PacificCorp, The Nature Conservancy, and The Pacific Forest Trust.

I look forward to pursuing this common-sense step toward protecting the environment and supporting our forest workers. This bill will have a sequential referral to both the Senate Energy and Natural Resources Committee and the Senate Agriculture Committee. These Committees share jurisdiction over all our nations forests, public and private. They represent the interests of the people who use our forests from the National Forest visitor, to the large industrial land owner, to the small woodlot owner. Through the combined efforts of both of these Committees, I am sure that the bill will receive a thorough hearing. I look forward to starting this process with a hearing in early May in the Energy and Natural Resources Committee.

I ask unanimous consent that the text of the bill and the section-by-section analysis of the Forest Resources for the Environment and the Economy Act be printed in the RECORD.

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

S. 820

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 ''Forest Resources for the Environment and the Economy Act''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the Federal Government should increase the long-term forest carbon storage on public land while pursuing existing statutory objectives;

(2) insufficient information exists on the opportunities to increase carbon storage on public land through improvements in forest land management;

(3) important environmental benefits to national forests can be achieved through cooperative forest projects that enhance fish and wildlife habitats, water, and other resources on public or private land located in national forest watersheds;

(4) forest projects also provide economic benefits, including—

(A) employment and income that contribute to the sustainability of rural communities; and

(B) ensuring future supplies of forest products;

(5) monitoring and verification of forest carbon storage provides an important opportunity to create employment in rural communities and substantiate improvements in natural habitats or watersheds due to forestry activities; and

(6) sustainable production of biomass energy feedstocks provides a renewable source of energy that can reduce carbon dioxide emissions and improve the energy security of the United States by diversifying energy fuels.

(b) PURPOSE.—The purpose of this Act is to promote sustainable forestry in the United States by—

(1) increasing forest carbon sequestration in the United States;

(2) encouraging long term carbon storage in forests of the United States;

(3) improving water quality;

(4) enhancing fish and wildlife habitats;

(5) providing employment and income to rural communities;

(6) providing new sources of forest products;

(7) providing opportunities for use of renewable biomass energy; and

(8) improving the energy security of the United States.

SEC. 3. DEFINITIONS.

In this Act:

(1) CARBON SEQUESTRATION.—The term ''carbon sequestration'' means the action of vegetable matter in—

(A) extracting carbon dioxide from the atmosphere through photosynthesis;

(B) converting the carbon dioxide to carbon; and

(C) storing the carbon in the form of roots, stems, soil, or foliage.

(2) FORESTRY CARBON ACTIVITY.—The term ''forestry carbon activity'' means a forest management action that—

(A) increases carbon sequestration and/or maintains carbon sinks,

(B) encourages long-term carbon storage, and

(C) has no net negative impact on watersheds and fish and wildlife habitats.

(a) FOREST CARBON PROGRAM.—The term ''forest carbon program'' means the program established by the Secretary of Agriculture under section 5 of the Forest Resources for the Environment and the Economy Act, to provide assistance through cooperative agreements and State revolving loan funds.

(4) FOREST CARBON RESERVOIR.—The term ''forest carbon reservoir'' means trees, roots, soils, or other biomass associated with forest ecosystems or products from the biomass that store carbon.

(5) FOREST CARBON STORAGE.—The term ''forest carbon storage'' means the quantity of carbon sequestered from the atmosphere and stored in forest carbon reservoirs, including forest products.

(6) FOREST LAND—

(A) IN GENERAL.—The term ''forest land'' means land that is, or has been, at least 10 percent stocked by forest trees of any size.

(B) INCLUSIONS.—The term ''forest land'' includes—

(i) land that had such forest cover and that will be naturally or artificially regenerated; and

(ii) a transition zone between a forested and nonforested area that is capable of sustaining forest cover.

(7) FOREST MANAGEMENT ACTION.—The term ''forest management action'' means the practical application of forestry principles to the regeneration, management, utilization, and conservation of forests to meet specific goals and objectives, while maintaining the productivity of the forests, including management of forests for aesthetics, fish, recreation, urban values, water, wilderness, wildlife, wood products, and other forest values.

(8) INVASIVE SPECIES.—The term ''invasive species'' means any species that is not native to an ecosystem and whose introduction does or is likely to cause economic or environmental harm or harm to human health.

(9) NONINDUSTRIAL PRIVATE FOREST.—The term ''nonindustrial private forest'' means forest land that is privately owned by an individual or corporation that does not control a forest products manufacturing facility and where management may include objectives other than timber production.

(10) REFORESTATION.—

(A) IN GENERAL.—The term ''reforestation'' means the reestablishment of forest cover naturally or artificially.

(B) INCLUSIONS.—The term ''reforestation'' includes—

(i) planned replanting;

(ii) re-seeding; and

(iii) natural regeneration.

(11) REVOLVING LOAN PROGRAM.—The term ''revolving loan program'' means a State revolving loan program established under section 5.

SEC. 4. CARBON MANAGEMENT ON FEDERAL LAND; CARBON MONITORING AND VERIFICATION GUIDELINES.

(a) DEFINITIONS.—Title XVI of the Energy Policy Act of 1992 is amended by inserting before section 1601 (42 U.S.C. 13381) the following:

''SEC. 1600. DEFINITIONS.

''In this title:

''(1) CARBON SEQUESTRATION.—The term 'carbon sequestration' means the action of vegetable matter in—

''(A) extracting carbon dioxide from the atmosphere through photosynthesis;

''(B) converting the carbon dioxide to carbon; and

''(C) storing the carbon in the form of roots, stems, soil, or foliage.'

''(2) FOREST CARBON STORAGE.—The term 'forest carbon storage' means the quantity of carbon sequestered from the atmosphere and stored in forest carbon reservoirs, including forest products.

''(3) FOREST CARBON PROGRAM.—The term 'forest carbon program' means the program established by the Secretary of Agriculture under section 5 of the Forest Resources for the environment and the Economy Act, to provide financial assistance through cooperative agreements and State revolving loan funds for forest carbon activities.

''(4) FOREST CARBON RESERVOIR.—The term 'forest carbon reservoir' means trees, roots, soils, or other biomass associated with forest ecosystems or products from the biomass that store carbon.

''(5) FOREST MANAGEMENT ACTION.—The term 'forest management action' means the practical application of forestry principles to the regeneration, management, utilization, and conservation of forests to meet specific goals and objectives, while maintaining the productivity of the forests, including management of forests for aesthetics, fish, recreation, urban values, water, wilderness, wildlife, wood products, and other forest values.''

(b) CARBON MANAGEMENT ON FEDERAL LAND.—Section 1604 of the Energy Policy Act of 1992 (42 U.S.C. 13384) is amended—

(1) by inserting ''(a) REPORT.—'' before ''NOT''; and

(2) by adding at the end the following:

''(b) CARBON MANAGEMENT ON FEDERAL LAND.—

''(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, after consultation with appropriate Federal agencies, the Secretary of Agriculture, acting through the Chief of the Forest Service, shall report to Congress on—

''(A) the quantity of carbon contained in the forest carbon reservoir of the National Forest System and the methodology and assumptions used to ascertain that quantity;

''(B) the potential to increase the quantity of carbon in the National Forest System and provide positive impacts on watersheds and fish and wildlife habitats through forest management actions; and

''(C) the role of forests in the carbon cycle and the contributions of U.S. forestry to the global carbon budget.

''(2) CONTENTS.—The report shall also include an assessment of any impacts of the forest management actions identified under paragraph (1)(B) on timber harvests, wildlife habitat, recreation, forest health, and other statutory objectives of national forest system management.''

(c) MONITORING AND VERIFICATION OF CARBON STORAGE.—Section 1605(b) of the Energy Policy Act of 1992 (42 U.S.C. 13385(b)) is amended by adding at the end the following:

(5) GUIDELINES ON REPORTING, MONITORING, AND VERIFICATION OF CARBON STORAGE FROM FOREST MANAGEMENT ACTIONS.—

''(A) IN GENERAL.—Not later than 18 months after the date of enactment of this paragraph, the Secretary of Agriculture, acting through the Chief of the Forest Service, shall—

''(i) review the guidelines established under paragraph (1) that address procedures for the accurate voluntary reporting of greenhouse gas sequestration from tree planting and forest management actions;

''(ii) make recommendations to the Secretary of Energy for amendment of the guidelines; and

''(iii) provide an opportunity for public comment on the guidelines established under subparagraph (A) prior to their submission to the Secretary of Energy.

''(B) CARBON AND FORESTRY ADVISORY COUNCIL.—

''(i) ESTABLISHMENT.—The Secretary of Agriculture, acting through the Chief of the Forest Service, shall establish a Carbon and Forestry Advisory Council for the purpose of—

''(I) advising the Secretary of Agriculture in the development and updating of guidelines for accurate voluntary reporting of greenhouse gas sequestration from forest management actions;

(II) evaluating the potential effectiveness of the guidelines in verifying carbon inputs and outputs from various forest management strategies;

''(III) estimating the effect of proposed implementation on carbon sequestration and storage;

''(IV) assisting the Secretary of Agriculture in reporting annually to Congress on the results of the carbon storage program; and

''(V) assisting the Secretary of Agriculture in assessing the vulnerability of forests to adverse effects of climate change.

''(ii) MEMBERSHIP.—The Advisory Council shall be composed of the following 16 members with interest and expertise in carbon sequestration and forestry management, appointed by the Secretaries of Agriculture and Energy:

''(I) 1 member representing national professional forestry organizations;

''(II) 2 members representing environmental or conservation organizations;

''(III) 1 member representing nonindustrial, private landowners;

''(IV) 1 member representing forest industry;

''(V) 1 member representing American Indian Tribes;

''(VI) 1 member representing forest laborers;

''(VII) 3 members representing the academic scientific community;

''(VII) 2 members representing State forestry organizations;

''(IX) 1 member representing the Department of Energy;

''(X) 1 member representing the Environmental Protection Agency;

''(XI) 1 member representing the Department of Agriculture;

''(XII) 1 member representing the Department of the Interior

''(iii) TERMS.—

''(I) IN GENERAL.—Except as provided in subclause (III), a member of the Advisory Council shall be appointed for a term of 3 years.

''(II) CONSECUTIVE TERMS.—No individual may serve on the Advisory Council for more than 2 consecutive terms.

''(III) INITIAL TERMS.—Of the members first appointed to the Advisory Council—

''(aa) 1 member appointed under each of subclauses (II), (VI), (VII), (X), and (XIII) of

clause (ii) shall serve an initial term of 1 year; and

''(bb) 1 member appointed under each of subclauses (I), (IV), (VII), (IX), (XI), and (XIV) shall serve an initial term of 2 years.

''(iv) VACANCY.—A vacancy on the Advisory Council shall be filled in the manner in which the original appointment was made.

''(v) CONTINUATION.—Any member appointed to fill a vacancy occurring before the expiration of the term shall be appointed only for the remainder of the term.

''(vi) COMPENSATION.—

''(I) IN GENERAL.—Except as provided in subclause (II), a member of the Advisory Council shall serve without compensation, but may be reimbursed for reasonable costs incurred while in the actual performance of duties vested in the Advisory Council.

''(II) FEDERAL OFFICERS AND EMPLOYEES.—A member of the Advisory Council who is a full-time officer or employee of the United States shall receive no additional compensation or allowances because of the service of the member on the Advisory Council.

''(III) SUPPORT.—The Secretary shall provide financial and administrative support for the Advisory Council.

''(vii) USE OF EXISTING COUNCIL.—The Secretary of Agriculture may use an existing council to perform the tasks of the Carbon and Forestry Advisory Council providing—

''(I) Council representation, membership terms and background, and Council responsibilities reflect those stated in subparagraph (B), and

''(II) The responsibilities of the Council, as described in subparagraph (A), are a priority for the Council.

''(C) CRITERIA.—

''(i) IN GENERAL.—The recommendations described in subparagraph (A)(ii) shall include reporting guidelines that—

''(I) are based on—

''(aa) measuring increases in carbon storage in excess of the carbon storage that would have occurred in the absence of the reforestation, forest management, forest protection, or other forest management actions; and

''(bb) comprehensive carbon accounting that reflects net increases in the carbon reservoir and takes into account any carbon emissions resulting from disturbance of carbon reservoirs existing at the start of a forest management action;

''(II) include options for—

''(aa) estimating the indirect effects of forest management actions on carbon storage, including possible emissions of carbon that may result elsewhere as a result of the project's impact on timber supplies or possible displacement of carbon emissions to other lands owned by the reporting party;

''(bb) quantifying the expected carbon storage over various time periods, taking into account the likely duration of carbon stored in the carbon reservoir; and

''(cc) considering the economic and social affects of management alternatives.

''(ii) ACCURATE MONITORING, MEASUREMENT, AND VERIFICATION.—

''(I) IN GENERAL.—The recommendations described in subparagraph (A)(ii) shall include recommended practices for monitoring, measurement, and verification of carbon storage from forest management actions.

''(II) REQUIREMENTS.—The recommended practices shall, to the maximum extent practicable—

''(aa) be based on statistically sound sampling strategies that build on knowledge of the carbon dynamics of forests and agricultural land;

''(bb) include cost-effective combinations of field conditions measurements with modeling to compute carbon stocks and changes in stocks;

''(cc) include guidance on how to sample and calculate carbon sequestration across multiple participating ownerships; and

''(dd) do not prevent use of more precise measurements, if desired by a reporting entity.

''(D) STATE FOREST CARBON PROGRAMS.—The recommendations described in subparagraph (A)(ii) shall include guidelines to States for reporting, monitoring, and verifying carbon storage under the forest carbon program.

''(E) BIOMASS ENERGY PROJECTS.—The recommendations described in subparagraph (A)(ii) shall include guidelines for calculating net greenhouse gas reductions from biomass energy projects, including—

''(i) net changes in carbon storage resulting from changes in land use; and

''(ii) the effect that using biomass to generate electricity (including co-firing of biomass with fossil fuels) has on the displacement of greenhouse gas emissions from fossil fuels.

''(F) AMENDMENT OF GUIDELINES.—Not later than 180 days after receiving the recommendations from the Secretary of Agriculture, the Secretary of Energy, acting through the Administrator of the Energy Information Administration, shall revise the guidelines established under paragraph (1) to include the recommendations.

''(G) REVIEW OF GUIDELINES BY THE ADVISORY COUNCIL.—

''(i) PERIODIC REVIEW.—At least every 24 months, the Secretary of Agriculture shall—

''(I) convene the Advisory Council to evaluate the latest scientific and observational information on reporting, monitoring, and verification of carbon storage from forest management actions; and

''(II) issue revised guidelines for reporting, monitoring, and verification of carbon storage from forest management actions as necessary.

''(ii) CONSISTENCY WITH FUTURE LAWS.—The Secretary of Agriculture shall convene the Advisory Council as necessary to ensure that the guidelines for reporting, monitoring, and verification of carbon storage from forest management actions are revised to be consistent with any Federal laws enacted after the date of enactment of this Act.

''(6) MONITORING OF FOREST CARBON PROGRAMS.—

''(A) IN GENERAL.—Forest Carbon Program reports shall—

''(i) be developed in accordance with the guidelines issued under paragraph (1),

''(ii) state the quantity of carbon storage realized;

''(iii) include the data used to monitor and verify the carbon storage,

''(iv) be consistent with reporting requirements of the Energy Information Administration, and

''(v) ensure the avoidance of double counting of forest carbon activities.

''(B) STATES AND COOPERATIVE AGREEMENT PARTICIPANTS.—States receiving assistance to establish revolving loans and entities participating in cooperative agreements for forest carbon programs shall—

''(i) monitor and verify carbon storage achieved under the program in accordance with guidelines issued under subparagraph (5)(E),

''(ii) report annually to the Secretary of Agriculture on the results of the carbon storage program, and

''(iii) report annually to any non-governmental organization, business, or other entity that provides funding for the carbon storage program.

''(C) SECRETARY OF AGRICULTURE.—

''(i) IN GENERAL.—The Secretaries shall report annually to Congress on the results of the carbon storage program.

''(ii) INCLUSIONS.—The report shall include—

''(I) specifications consistent with subparagraph (A),

''(II) an assessment of the effectiveness of monitoring and verification,

''(III) a report on carbon activities associated with cooperative agreements for the forest carbon program, and

''(IV) a State Forest Carbon Program compliance report established by—

''(aa) reviewing reports submitted by states under clause (B)(ii),

''(bb) verifying compliance with the guidelines under subparagraph (A),

''(cc) notifying the State of compliance status,

''(dd) notifying the State of any corrections that are needed to attain compliance, and

''(ee) establishing an opportunity for resubmission by the State.''

SEC. 5. FOREST CARBON COOPERATIVE AGREEMENTS AND LOAN PROGRAM.

(a) FOREST CARBON COOPERATIVE AGREEMENT.—The Secretary may enter into cooperative agreements with willing landowners from State or local governments, American Indian tribes, Alaska Natives, native Hawaiians and private, nonprofit entities for forest carbon activities on private land, state land, American Indian land, Alaska Native land, or native Hawaiian land.

(b) FOREST CARBON REVOLVING LOAN PROGRAM.—

(1) IN GENERAL.—In collaboration with State Foresters and non-governmental organizations, the Secretary shall provide assistance to States so that States may establish a revolving loan program for forest carbon activities on non-industrial private forest (NIPF) land.

(2) ELIGIBILITY.—An owner of non-industrial private forest land shall be eligible for assistance from a revolving loan fund for forest carbon activity on not more than a total of 5,000 acres of their NIPF land holdings.

(3) LOAN TERMS.—A loan agreement under the program shall—

(A) have loan interest rates that are established by the State—

(i) as necessary to encourage participation of NIPF landowners in the loan program,

(ii) not to exceed a real rate of return in excess of 3%, and

(iii) that will further the forest carbon program objectives;

(B) require that all loan obligations be repaid to the State—

(i) at the time of harvest of land covered by the program; or

(ii) in accordance with any other repayment schedule determined by the State;

(iii) proportional to the percentage decrease of carbon stock;

(C) include provisions that provide for private insurance or that otherwise release the owner from the financial obligation for any portion of the timber, forest products, or other biomass that—

(i) is lost to insects, disease, fire, storm, flood, or other natural destruction through no fault of the owner; or

(ii) cannot be harvested because of restrictions on tree harvesting imposed by the Federal State, or local government after the date of the agreement;

(D) impose a lien on all timber, forest products, and biomass grown on land covered by the loan, with an assurance that the terms of the lien shall transfer with the land on sale, lease, or transfer of the land;

(E) include a buyout option that—

(i) specifies financial terms allowing the owner to terminate the agreement before harvesting timber from the stand established with loan funds; and

(ii) repays the loan with interest;

(F) recognize that, until the loan is paid in full by the participating landowner or otherwise terminated in accordance with this Act, all reductions in atmospheric greenhouse gases achieved by the project funded by the loan are attributable to the non-Federal entities that provide funding for a loan (including the State or any other person, company, or non-governmental organization that provides funding to the State for purposes of issuing the loan); and

(G) include provisions for the monitoring and verification of carbon storage.

(4) CANCELLATION OF LOAN TERMS FOR PERMANENT CONSERVATION.—

(A) IN GENERAL.—The State shall cancel the loan agreement under paragraph (3) and any liens on the timber, forest products, and biomass under paragraph (3)(C) if the borrower donates to the State or may cancel the loan agreement under paragraph (3) and any liens on the timber, forest products, and biomass under paragraph (3)(C) if the borrower donates to another appropriate entity a permanent conservation easement that—

(i) furthers the purposes of this Act, including managing the land in a manner that maximizes the forest carbon reservoir of the land; and

(ii) permanently protects the covered private forest land and resources at a level above what is required under applicable Federal, State, and local law.

(B) CONTINUATION OF FOREST MANAGEMENT ACTIONS.—The conservation easement may allow the continuation of forest management actions that increase carbon storage on the land and forest or otherwise further the purposes of this Act.

(5) REINVESTMENT OF FUNDS.—All funds collected under a loan issued under this subsection (including loan repayments, loan buyouts, and any interest payments) shall be reinvested by the State in the program and used by the State to make additional loans under the program in accordance with this subsection.

(6) RECORDS.—The State Forester shall—

(A) maintain all records related to any loan agreement funded from a revolving loan fund; and

(B) make the records available to the public.

(7) MATCHING FUNDS.—

(A) IN GENERAL.—In order to be eligible to continue participating in the program, any State in the program under this section shall provide matching funds equal to at least 25 percent of the Federal funds made available to the State for the program, beginning the second year of program participation.

(B) FORM.—The State may provide the matching funds in the form of in-kind administrative services, technical assistance, and procedures to ensure accountability for the use of Federal funds.

(8) LOAN FUNDING DISTRIBUTION.—

(A) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, in consultation with State Foresters, the Secretary shall—

(i) establish a formula under which Federal funds shall be distributed under this subsection among eligible States; and

(ii) report the formula and methodology to Congress.

(B) BASIS.—The formula shall—

(i) be based on maximizing the potential for meeting the objectives of this Act;

(ii) give appropriate consideration to—

(I) the acreage of un-stocked or under-producing private forest land in each State;

(II) the potential productivity of such land;

(III) the potential long-term carbon storage of such land;

(IV) the potential to achieve other environmental benefits;

(V) the number of owners eligible for loans under this section in each State; and

(VI) the need for reforestation, timber stand improvement, or other forestry investments consistent with the objectives of this Act; and

(iii) give priority to States that have experienced or are expected to experience significant declines in employment levels in the forestry industries due to declining timber harvests on Federal land.

(9) PRIVATE FUNDING.—A revolving loan fund may accept and distribute as loans any funds provided by non-governmental organizations, businesses, or persons in support of the purposes of this Act.

(10) BONNEVILLE POWER ADMINISTRATION.—

(A) IN GENERAL.—The States of Washington, Oregon, Idaho, and Montana may apply for funding from the Bonneville Power Administration for purposes of funding loans that meet both the objectives of this Act and the fish and wildlife objectives of the Bonneville Power Administration under the Pacific Northwest Electric Power and Conservation Act (16 U.S.C. 839 et seq.).

(B) APPLICATION OF REQUIREMENTS UNDER OTHER LAW.—An application under subparagraph (A) shall be subject to all rules and procedures established by the Pacific Northwest Electric Power and Conservation Planning Council and the Bonneville Power Administration under the Pacific Northwest Electric Power and Conservation Act (16 U.S.C. 839 et seq.).

(c) REQUIREMENTS.—

(1) ELIGIBLE FORESTRY CARBON ACTIVITIES.—Eligible forestry carbon activities that—

(A) help restore under-producing or understocked forest lands,

(B) provide for protection of forests from non-forest use,

(C) allow a variety of sustainable management alternatives, and

(D) have no net negative impact on watersheds and fish and wildlife habitats.

(2) GUIDANCE.—The Secretary, working through the US Forest Service and in collaboration with States, shall provide guidance on eligible forestry carbon activities based on the criteria of this section.

(3) ACTIVITIES REQUIRED UNDER OTHER LAW.—Funding shall not be provided under this section for activities required under other applicable Federal, State, or local laws.

(4) PRE-AGREEMENT ACTIVITIES.—Funding shall not be provided for costs incurred before entering into a cooperative or loan agreement under this Act.

(5) LIMITATION ON LAND CONSIDERED FOR FUNDING.—No new loan agreements shall be entered into under this section to fund reforestation of land harvested after the date of enactment of this Act if the landowner received revenues from the harvest sufficient to reforest the land.

(6) ELIGIBLE TREE SPECIES.—

(A) IN GENERAL.—Selection of tree species for loan projects shall be consistent with Executive Order No. 13112, ''Invasive Species''.

(B) PROGRAM FUNDING.—Funding for reforestation activities shall be provided for—

(i) tree species native to a region,

(ii) tree species that formerly occupied the site, or

(iii) non-native tree species or hybrids that are non-invasive.

(7) FOREST-MANAGEMENT PLAN.—Priority shall be given to projects on land under a forestry management plan or forest stewardship plan, if the plan is consistent with the objectives of the carbon storage program.

(8) USE OF FUNDS.—

(A) funds will be used to pay—

(i) the cost of purchasing and planting tree seedings; and

(ii) other costs associated with the planted trees, including planning, site preparation, forest management, monitoring, measurement and verification, and consultant and contractor fees.

(B) funds will not be used to—

(i) pay the owner for the owner's own labor; or

(ii) purchase capital items or expendable items, such as vehicles, tools, and other equipment.

(9) FINANCIAL ASSISTANCE AMOUNT.—The amount of financial assistance provided under this section shall not exceed—

(A) 100 percent of total project costs, whether they constitute the only funding source or are used in combination with funds received from any other source; or

(B) $100,000 during any 2-year period.

(10) FEDERAL FUNDING.—During fiscal years 2001 through 2010, civil penalties collected under section 113 of the Clean Air Act (42 U.S.C. 7413) and under section 309(d) of the Federal Water Pollution Control Act (33 U.S.C. 1319(d)) shall be available, without further appropriation, to fund cooperative agreements and revolving loan funds authorized in this section.

(11) ALLOCATION OF FUNDS.—

(A) IN GENERAL.—The Secretary shall—

(i) allocate 15 percent of available funds for Cooperative agreements as specified under subsection (a), and

(ii) allocate 85 percent of available funds for State revolving loan programs as specified under subsection (b), after determining that States have implemented a system to administer the loans in accordance with this Act.

THE FOREST RESOURCES FOR THE ENVIRONMENT AND THE ECONOMY ACT—SECTION-BY-SECTION ANALYSIS

The purposes of the bill are to develop monitoring and verification systems for carbon reporting in forestry, to increase carbon sequestration in forests by encouraging private sector investment in forestry, and to promote employment in forestry in the United States. The bill achieves these purposes through three major actions: (1) Guidelines for Accurate Carbon Accounting for Forests.—The bill directs the Secretary of Agriculture, through the Forest Service, to establish scientifically-based guidelines for accurate reporting, monitoring, and verification of carbon storage from forest management actions. The bill establishes a multi-stakeholder Carbon and Forestry Advisory Council to assist USDA in developing the guidelines.

(2) Report on Options to Increase Carbon Storage on Federal Lands—The bill directs the Secretary of Agriculture, through the Forest Service, to report to Congress on forestry options to increase carbon storage in the National Forest System.

(3) State Revolving Loan Programs/Cooperative Agreements—The bill provides assistance to plant and manage underproducing or understocked forests to increase carbon sequestration. Assistance is provided through Cooperative Agreements with State or local governments, American Indian Tribes, Alaska natives, native Hawaiians, and private-nonprofit entities; or through loans to non-industrial private forest landowners. The Federal share of funding for Cooperative Agreements and the loan program will come from penalties that are being assessed against violators of the Clean Air Act and the Clean Water Act (civil penalties assessed in FY 1998 totaled $45 million).

SECTION 1. SHORT TITLE

The title of the bill is the ''Forest Resources for the Environment and the Economy Act''.

SECTION 2. FINDINGS AND PURPOSES

This section states the findings of the bill, including: there is a need or additional information opportunities to increase carbon

storage on public land through improvements in forest land management; monitoring and verification of forest carbon storage can provide employment opportunities for rural communities; and the sustainable production of biomass energy feedstocks provides a renewable source of energy that can improve the energy security of the United States.

This section also states the purposes of the bill: to increase carbon sequestration in forests; to provide employment and income to rural communities; and to improve the energy security of the United States by providing opportunities for development of renewable biomass energy

SECTION 3. DEFINITIONS

This section defines terms used in the bill, including the following: ''Carbon sequestration''; ''Forestry carbon activity''; ''Forest carbon program''; ''Forest carbon reservoir''; ''Forest carbon storage''; ''Forest land''; ''Forest management action''; ''Invasive species''; ''Nonindustrial private forest''; ''Reforestation''; and ''Revolving loan program''.

SECTION 4. CARBON MANAGEMENT ON FEDERAL LAND; CARBON MONITORING AND VERIFICATION GUIDELINES

This section amends Title XVI (''Global Climate Change'') of the Energy Policy Act of 1992.

(a) Definitions: This subsection amends the Energy Policy ACt to add the definitions for ''carbon sequestration''''forest carbon storage,'' ''forest carbon program,'' ''forest carbon reservoir,'' and ''forest management action'' that were specified in Section 3.

(b) Carbon Management on Federal Land: This subsection directs the Secretary of Agriculture to report to Congress on the quantity of carbon contained in the forest carbon reservoir in the national forest system. The report will include an assessment of forest management actions that can increase carbon storage on these national forest system lands. Finally, the report will include an assessment of the role of forests in the carbon cycle and the contributions of forestry to the global carbon budget. This subsection is accomplished by amendment to section 1604 of the Energy Policy Act (''Assessment of Alternative Policy Mechanisms for Addressing Greenhouse Gas Emissions'').

(c) Monitoring and Verification of Carbon Storage. This subsection amends section 1605(b) of the Energy Policy Act (''Voluntary Reporting''). It directs the Secretary of Agriculture to review the existing Federal guidelines on reporting, monitoring, and verification of carbon storage from forest management actions and to make recommendations to the Secretary of Energy for amendment of the guidelines.

Carbon and Forestry Advisory Council: This subsection also directs the Secretary of Agriculture to establish a 16–member, multistakeholder Carbon and Forestry Advisory Council for the purpose of advising the Department of Agriculture on: the development of the guidelines for accurate voluntary reporting of greenhouse gas sequestration from forest management actions, and for other purposes.

Criteria: The guidelines developed by the Secretary of Agriculture must take account of additionality and leakage. The guidelines must include recommended practices for monitoring, measurement and verification of carbon storage that are scientifically sound and cost-effective.

State Forest Carbon Programs: The guidelines will include guidance to States for reporting, monitoring and verifying carbon storage achieved under the carbon storage program established in Section 5 of the bill.

Biomass energy projects: The guidelines will include guidance on calculating net greenhouse gas reductions from biomass energy projects.

Amendment of guidelines: The subsection directs the Secretary of Energy to revise the existing voluntary reporting guidelines to include the recommendations provided by the Secretary of Agriculture.

Review of guidelines: Guidelines must be reviewed at least every 24 months, and as necessary for consistency with any future Federal laws that credit for reductions of atmospheric greenhouse gas concentrations resulting from forest management actions.

Monitoring of Forest Carbon Programs: Participants in the Forest Carbon Program established in Section 5 of the bill must report annually to the Secretary of Agriculture on the results of the program. Reports that are certified to comply with the guidelines in this section will be submitted to the Department of Energy for inclusion in the 1605(b) voluntary reporting data base.

SECTION 5. FOREST CARBON COOPERATIVE AGREEMENTS AND LOAN PROGRAM

This section authorizes the Secretary of Agriculture to enter into cooperative agreements and directs the Secretary to provide assistance to States to establish revolving loan funds to undertake forestry carbon activities.

(a) *Forest Carbon Activity Cooperative Agreements.* This subsection authorizes the Secretary of Agriculture to enter into cooperative agreements with willing State or local governments, American Indian tribes, Alaska natives, native Hawaiians, and private-nonprofit landowners for forest carbon activities.

(b) *Forest Carbon Activity Revolving Loan Program.* This subsection establishes a program to provide assistance through State established revolving loan funds to nonindustrial private forest land owners (NIPF) for eligible forest carbon activities. Requirements include:

Eligibility: Funds may be used to support eligible forest carbon activities on not more than 5,000 acres of an NIPF landowners' holdings.

Loan terms: Loans must be repaid with interest at a rate not to exceed a 3 percent real rate of return. They must be repaid when the land is harvested, although the owner may pay off the loan prior to harvesting. Loans must include a transferable lien on all timber, forest products and biomass. The State assumes the risk of loss of timber due to natural disaster. A loan agreement must include recognition that, until the loan is paid off, all reductions in atmospheric greenhouse gases achieved by projects funded by the loan are attributable to the entity that provides funding for the loan.

Permanent conservation easements: Loan recipients can cancel the loan by donating a permanent conservation easement.

Reinvestment of funds: All repayments collected by a State must be reinvested in the program and used by the State to make additional loans.

Records: The State Forester shall maintain all loan records and make them available to the public.

Matching funds: A State must match Federal funding by at least 25% beginning in the second year of participating in the program.

Loan Funding Distribution: The Secretary will report to Congress on a formula under which Federal funds will be distributed among eligible States. The distribution formula will give priority to States that have experienced or are expected to experience significant declines in employment levels in the forestry industries due to declining timber harvests on Federal land.

Private funding: A revolving loan fund may accept any funds provided by non-governmental organizations, businesses or persons for the purpose of this Act.

Bonneville Power Administration (BPA): States served by BPA (Washington, Oregon, Idaho and Montana) may apply for funding from BPA for purposes of funding loans that meet both the objectives of this Act and the fish and wildlife objectives of BPA under current law.

(c) Requirements: This subsection specifies requirements of any financial assistance arrangement for forest carbon activities.

Eligibility: This gives a general definition of eligible forestry carbon activities.

Guidance: The Forest Service, in collaboration with the States, will provide guidance on eligible forestry carbon activities.

Activities require under law: Funding shall not be provided for activities required under existing laws.

Pre-agreements: Funding shall not be provided for costs already incurred.

Limitation on land considered for funding: No funding shall be provided for reforestation of land that has been harvested, if the landowner received revenues from the harvest sufficient to reforest the land.

Eligible tree species: Planted tress must be native or non-invasive species.

Forest management plan: Priority shall be given to projects on land under a forest management plan or forest stewardship plan.

Use of funds: Funds shall be used for planting of trees and their management.

Financial assistance amount: Cooperative agreements or loans may cover up to 100 percent of total project costs, not to exceed $100,000 during any 2-year period.

Authorization of appropriations: Authorizes funding from FY 2001 to FY 2010 at amounts equal to civil penalties collected under the Clean Water Act and the Clean Air Act, which currently revert to the Treasury as General Revenues. In fiscal year 1998, $45 million in penalties were assessed.

Allocation of funds: The Secretary shall allocate 15 percent of available funds for cooperative agreements and the remaining 85 percent for the State revolving loan fund.

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

S. 821. A bill to amend the Tennessee Valley Authority Act of 1933 to modify provisions relating to the Board of Directors of the Tennessee Valley Authority, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. FRIST. Mr. President, today I introduce the ''TVA Modernization Act of 2001'' along with Senator THOMPSON. This bill would expand and restructure TVA's Board of Directors to make it reflect the board structure of most large corporations.

TVA is now a multi-billion dollar per year corporation. However, it continues to function under a Depression-era administrative structure. By expanding the board and restructuring it more like a corporation's board, TVA will be in a better position to meet the future challenges facing TVA and the energy industry as a whole.

Specifically, this legislation would create a nine-member, part-time board made up of experts in corporate management and strategic decision making. Each member would be required to be a legal resident of the TVA service area, and each member would receive an annual stipend. The board would appoint a CEO who would be responsible

for daily management decisions. Currently, the board is comprised of three full-time members, although one position is currently vacant, and the Chairman acts as the CEO.

This legislation provides the organizational structure necessary for TVA's future. With proper leadership and sound management practices, TVA can continue to improve and more efficiently provide its valuable services.

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. 821

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

SECTION 1. CHANGE IN COMPOSITION, OPERATION, AND DUTIES OF THE BOARD OF DIRECTORS OF THE TENNESSEE VALLEY AUTHORITY.

(a) IN GENERAL.—The Tennessee Valley Authority Act of 1933 (16 U.S.C. 831 et seq.) is amended by striking section 2 and inserting the following:

"SEC. 2. MEMBERSHIP, OPERATION, AND DUTIES OF THE BOARD OF DIRECTORS.

''(a) MEMBERSHIP.—

''(1) APPOINTMENT.—The Board of Directors of the Corporation (referred to in this Act as the 'Board') shall be composed of 9 members appointed by the President by and with the advice and consent of the Senate, who shall be legal residents of the service area.

''(2) CHAIRMAN.—The members of the Board shall select 1 of the members to act as chairman of the Board.

''(b) QUALIFICATIONS.—

''(1) IN GENERAL.—To be eligible to be appointed as a member of the Board, an individual—

''(A) shall be a citizen of the United States;

''(B) shall have widely recognized experience or applicable expertise in the management of or decisionmaking for a large corporate structure;

''(C) shall not be an employee of the Corporation;

''(D) shall have no substantial direct financial interest in—

''(i) any public-utility corporation engaged in the business of distributing and selling power to the public; or

''(ii) any business that may be adversely affected by the success of the Corporation as a producer of electric power; and

''(E) shall profess a belief in the feasibility and wisdom of this Act.

''(2) PARTY AFFILIATION.—Not more than 5 of the 9 members of the Board may be affiliated with a single political party.

''(c) RECOMMENDATIONS.—In appointing members of the Board, the President shall—

''(1) consider recommendations from such public officials as—

''(A) the Governors of States in the service area;

''(B) individual citizens;

''(C) business, industrial, labor, electric power distribution, environmental, civic, and service organizations; and

''(D) the congressional delegations of the States in the service area; and

''(2) seek qualified members from among persons who reflect the diversity and needs of the service area of the Corporation.

''(d) TERMS.—

''(1) IN GENERAL.—A member of the Board shall serve a term of 5 years, except that in first making appointments after the date of enactment of this paragraph, the President shall appoint—

''(A) 2 members to a term of 2 years;

''(B) 1 member to a term of 3 years; and

''(C) 2 members to a term of 4 years.

''(2) VACANCIES.—A member appointed to fill a vacancy in the Board occurring before the expiration of the term for which the predecessor of the member was appointed shall be appointed for the remainder of that term.

''(3) REAPPOINTMENT.—

''(A) IN GENERAL.—A member of the Board that was appointed for a full term may be reappointed for 1 additional term.

''(B) APPOINTMENT TO FILL VACANCY.—For the purpose of subparagraph (A), a member appointed to serve the remainder of the term of a vacating member for a period of more than 2 years shall be considered to have been appointed for a full term.

''(e) QUORUM.—

''(1) IN GENERAL.—Six members of the Board shall constitute a quorum for the transaction of business.

''(2) MINIMUM NUMBER OF MEMBERS.—A vacancy in the Board shall not impair the power of the Board to act, so long as there are 6 members in office.

''(f) COMPENSATION.—

''(1) IN GENERAL.—A member of the Board shall be entitled to receive—

''(A)(i) a stipend of $30,000 per year; plus

''(ii) compensation, not to exceed $10,000 for any year, at a rate that does not exceed the daily equivalent of the annual rate of basic pay prescribed under level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day the member is engaged in the actual performance of duties as a member of the Board at meetings or hearings; and

''(B) travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service under section 5703 of title 5, United States Code.

''(2) ADJUSTMENTS IN STIPENDS.—The amount of the stipend under paragraph (1)(A)(i) shall be adjusted by the same percentage, at the same time and manner, and subject to the same limitations as are applicable to adjustments under section 5318 of title 5, United States Code.

''(g) DUTIES.—

''(1) IN GENERAL.—The Board shall—

''(A) establish the broad goals, objectives, and policies of the Corporation that are appropriate to carry out this Act;

''(B) develop long-range plans to guide the Corporation in achieving the goals, objectives, and policies of the Corporation and provide assistance to the chief executive officer to achieve those goals, objectives, and policies, including preparing the Corporation for fundamental changes in the electric utilities industry;

''(C) ensure that those goals, objectives, and policies are achieved;

''(D) approve an annual budget for the Corporation;

''(E) establish a compensation plan for employees of the Corporation in accordance with subsection (i);

''(F) approve the salaries, benefits, and incentives for managers and technical personnel that report directly to the chief executive officer;

''(G) ensure that all activities of the Corporation are carried out in compliance with applicable law;

''(H) create an audit committee, composed solely of Board members independent of the management of the Corporation, which shall—

''(i) recommend to the Board an external auditor;

''(ii) receive and review reports from the external auditor; and

''(iii) make such recommendations to the Board as the audit committee considers necessary;

''(I) create such other committees of Board members as the Board considers to be appropriate;

''(J) conduct public hearings on issues that could have a substantial effect on—

''(i) the electric ratepayers in the service area; or

''(ii) the economic, environmental, social, or physical well-being of the people of the service area; and

''(K) establish the electricity rate schedule.

''(2) MEETINGS.—The Board shall meet at least 4 times each year.

''(h) CHIEF EXECUTIVE OFFICER.—

''(1) APPOINTMENT.—The Board shall appoint a person to serve as chief executive officer of the Corporation.

''(2) QUALIFICATIONS.—To serve as chief executive officer of the Corporation, a person—

''(A) shall be a citizen of the United States;

''(B) shall have management experience in large, complex organizations;

''(C) shall not be a current member of the Board or have served as a member of the Board within 2 years before being appointed chief executive officer; and

''(D) shall have no substantial direct financial interest in—

''(i) any public-utility corporation engaged in the business of distributing and selling power to the public; or

''(ii) any business that may be adversely affected by the success of the Corporation as a producer of electric power; and

''(3) TENURE.—The chief executive officer shall serve at the pleasure of the Board.

''(i) COMPENSATION PLAN.—

''(1) IN GENERAL.—The Board shall approve a compensation plan that specifies salaries, benefits, and incentives for the chief executive officer and employees of the Corporation.

''(2) ANNUAL SURVEY.—The compensation plan shall be based on an annual survey of the prevailing salaries, benefits, and incentives for similar work in private industry, including engineering and electric utility companies, publicly owned electric utilities, and Federal, State, and local governments.

''(3) CONSIDERATIONS.—The compensation plan shall provide that education, experience, level of responsibility, geographic differences, and retention and recruitment needs will be taken into account in determining salaries of employees.

''(4) SUBMISSION TO CONGRESS.—No salary shall be established under a compensation plan until after the compensation plan and the survey on which it is based have been submitted to Congress and made available to the public for a period of 30 days.

''(5) POSITIONS AT OR BELOW LEVEL IV.—The chief executive officer shall determine the salary and benefits of employees whose annual salary is not greater than the annual rate payable for positions at level IV of the Executive Schedule under section 5315 of title 5, United States Code.

''(6) POSITIONS ABOVE LEVEL IV.—On the recommendation of the chief executive officer, the Board shall approve the salaries of employees whose annual salaries would be in excess of the annual rate payable for positions at level IV of the Executive Schedule under section 5315 of title 5, United States Code.''.

(b) CURRENT BOARD MEMBERS.—A member of the board of directors of the Tennessee Valley Authority who was appointed before the effective date of the amendment made by subsection (a)—

(1) shall continue to serve as a member until the date of expiration of the member's current term; and

(2) may not be reappointed.

SEC. 2. CHANGE IN MANNER OF APPOINTMENT OF STAFF.

Section 3 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831b) is amended—

(1) by striking the first undesignated paragraph and inserting the following:

''(a) APPOINTMENT BY THE CHIEF EXECUTIVE OFFICER.—The chief executive officer shall appoint, with the advice and consent of the Board, and without regard to the provisions of the civil service laws applicable to officers and employees of the United States, such managers, assistant managers, officers, employees, attorneys, and agents as are necessary for the transaction of the business of the Corporation.''; and

(2) by striking ''All contracts'' and inserting the following:

''(b) WAGE RATES.—All contracts''.

SEC. 3. CONFORMING AMENDMENTS.

(a) The Tennessee Valley Authority Act of 1933 (16 U.S.C. 831 et seq.) is amended—

(1) by striking ''board of directors'' each place it appears and inserting ''Board of Directors''; and

(2) by striking ''board'' each place it appears and inserting ''Board''.

(b) Section 9 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831h) is amended—

(1) by striking ''The Comptroller General of the United States shall audit'' and inserting the following:

''(c) AUDITS.—The Comptroller General of the United States shall audit''; and

(2) by striking ''The Corporation shall determine'' and inserting the following:

''(d) ADMINISTRATIVE ACCOUNTS AND BUSINESS DOCUMENTS.—The Corporation shall determine''.

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act take effect, and 7 additional members of the Board of the Tennessee Valley Authority shall be appointed so as to commence their terms on, May 18, 2002.

By Mrs. MURRAY (for herself, Mr. SMITH of Oregon, Mr. CRAIG, Mr. DASCHLE, and Mr. LEAHY):

S. 822. A bill to amend the Internal Revenue Code of 1986 to modify the treatment of bonds issues to acquire renewable resources on land subject to conservation easement; to the Committee on Finance.

Mrs. MURRAY. Mr. President, I rise today to reintroduce the ''Community Forestry and Agriculture Conservation Act of 2001.''

Communities across the United States are losing private forest and farmland to development. Many citizens are demanding that we protect green space, control sprawl, and protect natural resources, fish and wildlife.

Unfortunately, there are few options available to local communities to protect these working green spaces. Federal, state or local governments can purchase the land outright. But this is expensive, and simply unworkable for larger tracts of forest and agricultural land. Outright purchase also raises concerns about harming local economies, reducing the tax base, and hurting private property rights.

Meanwhile, landowners are often land-rich and cash-poor. My bill would allow landowners to capitalize some or all of their assets.

We have a responsibility to find solutions that protect private forests and farm land, enhance economic prosperity, and bring communities together in the process. The Community Forestry and Agriculture Conservation Act would accomplish these goals.

The bill modifies the tax code to make it easier for communities to issue tax-exempt revenue bonds on behalf of a private non-profit corporation to purchase tracts of land. This protects the land from development, while allowing jobs that depend on harvesting the land to continue. The bonds would be serviced by harvesting the resources on the land in a responsible, sustainable way.

I want to give an example of the concept behind this bill, and then mention some of the benefits.

A group of community leaders would form a non-profit organization with a diverse board of directors. The non-profit organization would work with a landowner to reach a voluntary sale agreement at fair market value. The non-profit organization would then develop a binding management plan, which would allow for continued harvesting, but in a manner that exceeds federal and state conservation standards.

A local government could then issue tax-exempt revenue bonds on behalf of the non-profit organization to fund the acquisition of the land. The bonds would be serviced by the non-profit organization with revenue raised by the continued harvest of trees or crops in accordance with the management plan. The non-profit would hold title to the land, but an independent third party would monitor the permanent conservation easement.

There are three benefits to this bill.

First, it gives communities a new tool to protect green spaces from development. Second, communities are able to keep resource-based jobs and their tax base. Third, this legislation will bring communities together. It will move us away from the conflicts of the past and will encourage environmentalists, timber companies, farmers, and local governments to work together to maintain these green spaces.

This legislation is supported by a number of conservation organizations, private companies, local governments, and private associations, including: World Wildlife Fund; The Nature Conservancy; Trust for Public Land; Land Trust Alliance; Pacific Forest Trust; American Sportfishing Association; Plum Creek Timber Company; Collins Pine Companies; Mendocino Redwood Company; The Harwood Group; Port Blakely Tree Farms; Weyerhaeuser; The Campbell Group; King County, Washington; Mendocino County, California; Society of American Foresters; and the Political Economy Research Center.

In addition, the Senate agreed to a modified version of this legislation as an amendment to the Senate version of H.R. 2488 in 1999. The amendment was removed during conference.

As I did two years ago, I want to emphasize that this is an approach that every Senator can support. It is bipartisan. It is inexpensive. It is voluntary. It respects private property rights. It limits government involvement but establishes proper enforcement to prevent abuse. It protects the environment. It provides local control.

I would like to thank Senators G. SMITH, CRAIG, LEAHY, and DASCHLE for cosponsoring this legislation, and I urge my other colleagues to support it as well.

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. 822

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 ''Community Forestry and Agriculture Conservation Act of 2001''.

SEC. 2. TREATMENT OF BONDS ISSUED TO ACQUIRE RENEWABLE RESOURCES ON LAND SUBJECT TO CONSERVATION EASEMENT.

(a) IN GENERAL.—Section 145 of the Internal Revenue Code of 1986 (defining qualified 501(c)(3) bond) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

''(e) BONDS ISSUED TO ACQUIRE RENEWABLE RESOURCES ON LAND SUBJECT TO CONSERVATION EASEMENT.—

''(1) IN GENERAL.—If—

''(A) the proceeds of any bond are used to acquire land (or a long-term lease thereof) together with any renewable resource associated with the land (including standing timber, agricultural crops, or water rights) from an unaffiliated person,

''(B) the land is subject to a conservation restriction—

''(i) which is granted in perpetuity to an unaffiliated person that is—

''(I) a 501(c)(3) organization, or

''(II) a Federal, State, or local government conservation organization,

''(ii) which meets the requirements of clauses (ii) and (iii)(II) of section 170(h)(4)(A),

''(iii) which exceeds the requirements of relevant environmental and land use statutes and regulations, and

''(iv) which obligates the owner of the land to pay the costs incurred by the holder of the conservation restriction in monitoring compliance with such restriction,

''(C) a management plan which meets the requirements of the statutes and regulations referred to in subparagraph (B)(iii) is developed for the conservation of the renewable resources, and

''(D) such bond would be a qualified 501(c)(3) bond (after the application of paragraph (2)) but for the failure to use revenues derived by the 501(c)(3) organization from the sale, lease, or other use of such resource as otherwise required by this part,

such bond shall not fail to be a qualified 501(c)(3) bond by reason of the failure to so use such revenues if the revenues which are not used as otherwise required by this part are used in a manner consistent with the stated charitable purposes of the 501(c)(3) organization.

''(2) TREATMENT OF TIMBER, ETC.—

''(A) IN GENERAL.—For purposes of subsection (a), the cost of any renewable resource acquired with proceeds of any bond

described in paragraph (1) shall be treated as a cost of acquiring the land associated with the renewable resource and such land shall not be treated as used for a private business use because of the sale or leasing of the renewable resource to, or other use of the renewable resource by, an unaffiliated person to the extent that such sale, leasing, or other use does not constitute an unrelated trade or business, determined by applying section 513(a).

''(B) APPLICATION OF BOND MATURITY LIMITATION.—For purposes of section 147(b), the cost of any land or renewable resource acquired with proceeds of any bond described in paragraph (1) shall have an economic life commensurate with the economic and ecological feasibility of the financing of such land or renewable resource.

''(C) UNAFFILIATED PERSON.—For purposes of this subsection, the term 'unaffiliated person' means any person who controls not more than 20 percent of the governing body of another person.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to obligations issued after the date of the enactment of this Act.

By Mr. ROCKEFELLER (for himself and Mr. REED):

S. 827. A bill to amend the Social Security Act to guarantee comprehensive health care coverage for all children born after 2001; to the Committee on Finance.

Mr. ROCKEFELLER. Mr. President, it gives me great pleasure and pride to introduce today the MediKids Health Insurance Act of 2001. I am joined by my colleague Representative Stark, who is introducing companion legislation in the House.

In 1997, we passed historic legislation which created the Children's Health Insurance Program. I was a proud sponsor of the CHIP legislation with our late-colleague Senator John Chafee. However, one thing which we have learned throughout the implementation process of CHIP is that while it provides a vehicle for insuring our nation's low-income children, it does not guarantee all of America's children health insurance coverage and access to affordable health care. I'm pleased to say that of the 26,000 West Virginia children without health insurance two years ago, according to the most recent state estimate nearly 20,000 have now enrolled in the CHIP program. But this is not enough. We can do better for our children to make sure they can count on access to the care they need to grow up healthy. It should not be so hard. Today, there remain more than 10 million children in America without health insurance, in spite of more and more children being enrolled in CHIP every day. Clearly, there is still much more that can and should be done to guarantee health coverage to all American children.

Today, I offer a solution to ensure that all of our nation's children have access to health care. The MediKids program, which I propose, would create a new Medicare-like program for children which is separate from Medicare and will have no financial impact on the existing program. Every child would be enrolled at birth, just as every American is enrolled in the Medicare program at age 65. This ensures that all children will have coverage, avoiding difficult problems related to outreach and enrollment, or state-to-state variations. MediKids is a simple, direct and comprehensive approach to dramatically improve the health insurance safety net for America's Children. Eligibility for the program would be phased in over five years, covering children from birth to 5 years of age in the first year, 6 to 10 in the second, 11 to 15 in the third, 16 to 20 in the fourth, and 21 and 22 in the fifth and final year. By 2008, the legislation would provide every child in America access to consistent, continuous health insurance coverage.

The benefits covered by the program would be very similar to those available to children under Medicaid now, including the screening and prevention services so critical to successful childhood development. The MediKids program would work in conjunction with CHIP and Medicaid, allowing children enrolled in those programs, and those children with private insurance coverage, to remain in those programs.

CHIP and Medicaid are important programs, and essential for the insurance coverage of children. However, even with perfect enrollment in CHIP and Medicaid, there would still be a great number of children without health insurance. This is partially due to our increasingly mobile society, where parents frequently change jobs and families often move from state to state. When this occurs there is often a lapse in health coverage. Also, families working their way out of welfare fluctuate between eligibility and ineligibility for means-tested assistance programs. Another reason for the number of uninsured children is that the cost of health insurance continues to increase, leaving many working parents unable to afford coverage for themselves or their families. All of this adds up to the fact that many of our children do not have the consistent and regular access to health care which they need to grow up healthy.

Under The MediKids program, all children would be enrolled automatically at birth, and have continuous, reliable health coverage from birth until their twenty-third birthday. A prescription drug benefit would be included as part of the program, and the Secretary of Health and Human Services will continue to develop age-appropriate benefits as needed. The legislation also contains provisions allowing the Secretary to review and update the benefits offered annually, with input from the pediatric community.

During the first few years of the program, the costs can be fully covered by public funds such as tobacco settlement monies, the budget surplus, or other funds upon which we may agree. Over this period of time, the Treasury Secretary will have the necessary time to develop a package of progressive, gradual tax changes to fund the program. Parents will be responsible for a small premium which will account for one-forth of annual average cost per child, and will be exempt from the premium should they have comparable health coverage for their children through private insurance or enrollment in other federal programs.

There will be no cost-sharing under the program for preventive and well child care, and there will be assistance for low-income families to meet their needs. Those families living at or below 150 percent of poverty will pay no premium and those living between 150 percent and 200 percent of poverty will receive a 50 percent discount on premiums. A family's premium obligation will be capped at 5 percent of its total income.

Children are inexpensive to insure, yet the benefits of doing so would be enormous for our country. We have an opportunity now to guarantee that future generations of children grow up more healthy and ready to succeed than any before them. I am pleased to announce that I am joined today by a number of organizations whose support has been critical to the cause of ensuring health coverage for all children. I thank the many national organizations that have already lent their support and endorsement to this important legislation. The American Academy Pediatrics and the Children's Defense Fund have already begun to actively push for the MediKids Health Insurance Act of 2001. I am so pleased to have the support of these and other organizations which have dedicated themselves to children and children's health care in America.

I learned a valuable lesson some thirty-five years ago as a VISTA volunteer in the small town of Emmons, West Virginia. I was taught that health care is not just something to be talked about, or debated here on the floor of the Senate. Health care is a fundamental right, its as necessary as food and shelter. I have learned this time and time again, and I have carried that lesson with me throughout my entire life in public service, as Chairman of the Pepper Commission on Comprehensive Health Care, and also on the National Commission on Children.

The growing number of uninsured in this country is a very serious problem. The fact that some 10 million children, our nation's most vulnerable population, do not have access to affordable health insurance today is not just unfair, it is downright immoral. In a nation as wealthy as ours, it is wrong that poverty at birth can mean lifelong illness or even early death, especially from easily treatable and preventable causes. What's more, children are the cheapest population in America to insure.

But as I have said time and time again, I also believe it is important to not lose sight of the ideal, and our capacity to reach that ideal, of the United States of America joining every

other industrialized nation by ensuring that its citizens have basic health insurance.

I believe that we must not lose sight of that great ideal which I have spoken about here today, that every American have access to affordable health care. The MediKids Health Insurance Act is a tangible step toward achieving that ideal. I offer this legislation to enlist my colleagues in an effort to insist that all of our nation's children are insured as quickly as possible. I ask my colleagues from both sides of the aisle to join as co-sponsors.

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

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

S. 827

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the ''MediKids Health Insurance Act of 2002''.

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

(c) FINDINGS.—Congress finds the following:

(1) More than 11 million American children are uninsured.

(2) Children who are uninsured receive less medical care and less preventive care and have a poorer level of health, which result in lifetime costs to themselves and to the entire American economy.

(3) Although SCHIP and Medicaid are successfully extending a health coverage safety net to a growing portion of the vulnerable low-income population of uninsured children, we now see that they alone cannot achieve 100 percent health insurance coverage for our nation's children due to inevitable gaps during outreach and enrollment, fluctuations in eligibility, and variations in access to private insurance at all income levels.

(4) As all segments of our society continue to become more and more transient, with many changes in employment over the working lifetime of parents, the need for a reliable safety net of health insurance which follows children across State lines, already a major problem for the children of migrant and seasonal farmworkers, will become a major concern for all families in the United States.

(5) The Medicare program has successfully evolved over the years to provide a stable, universal source of health insurance for the nation's disabled and those over age 65, and therefore provides a tested model for designing a program to reach out to America's children

(6) The problem of insuring 100 percent of all American children could be gradually solved by automatically enrolling all children born after December 31, 2002, in a program modeled after Medicare (and to be known as ''MediKids''), and allowing those children to be transferred into other equivalent or better insurance programs, including either private insurance, SCHIP, or Medicaid, if they are eligible to do so, but maintaining the child's default enrollment in MediKids for any times when the child's access to other sources of insurance is lost.

(7) A family's freedom of choice to use other insurers to cover children would not be interfered with in any way, and children eligible for SCHIP and Medicaid would continue to be enrolled in those programs, but the underlying safety net of MediKids would always be available to cover any gaps in insurance due to changes in medical condition, employment, income, or marital status, or other changes affecting a child's access to alternate forms of insurance.

(8) The MediKids program can be administered without impacting the finances or status of the existing Medicare program.

(9) The MediKids benefit package can be tailored to the special needs of children and updated over time.

(10) The financing of the program can be administered without difficulty by a yearly payment of affordable premiums through a family's tax filing (or adjustment of a family's earned income tax credit).

(11) The cost of the program will gradually rise as the number of children using MediKids as the insurer of last resort increases, and a future Congress always can accelerate or slow down the enrollment process as desired, while the societal costs for emergency room usage, lost productivity and work days, and poor health status for the next generation of Americans will decline.

(12) Over time 100 percent of American children will always have basic health insurance, and we can therefore expect a healthier, more equitable, and more productive society.

SEC. 2. BENEFITS FOR ALL CHILDREN BORN AFTER 2002.

(a) IN GENERAL.—The Social Security Act is amended by adding at the end the following new title:

''TITLE XXII—MEDIKIDS PROGRAM

''SEC. 2201. ELIGIBILITY.

''(a) ELIGIBILITY OF INDIVIDUALS BORN AFTER DECEMBER 31, 2002; ALL CHILDREN UNDER 23 YEARS OF AGE IN SIXTH YEAR.—An individual who meets the following requirements with respect to a month is eligible to enroll under this title with respect to such month:

''(1) AGE.—

''(A) FIRST YEAR.—During the first year in which this title is effective, the individual has not attained 6 years of age.

''(B) SECOND YEAR.—During the second year in which this title is effective, the individual has not attained 11 years of age.

''(C) THIRD YEAR.—During the third year in which this title is effective, the individual has not attained 16 years of age.

''(D) FOURTH YEAR.—During the fourth year in which this title is effective, the individual has not attained 21 years of age.

''(E) FIFTH AND SUBSEQUENT YEARS.—During the fifth year in which this title is effective and each subsequent year, the individual has not attained 23 years of age.

''(2) CITIZENSHIP.—The individual is a citizen or national of the United States or is permanently residing in the United States under color of law.

''(b) ENROLLMENT PROCESS.—An individual may enroll in the program established under this title only in such manner and form as may be prescribed by regulations, and only during an enrollment period prescribed by the Secretary consistent with the provisions of this section. Such regulations shall provide a process under which—

''(1) individuals who are born in the United States after December 31, 2002, are deemed to be enrolled at the time of birth and a parent or guardian of such an individual is permitted to pre-enroll in the month prior to the expected month of birth;

''(2) individuals who are born outside the United States after such date and who become eligible to enroll by virtue of immigration into (or an adjustment of immigration status in) the United States are deemed enrolled at the time of entry or adjustment of status;

''(3) eligible individuals may otherwise be enrolled at such other times and manner as the Secretary shall specify, including the use of outstationed eligibility sites as described in section 1902(a)(55)(A) and the use of presumptive eligibility provisions like those described in section 1920A; and

''(4) at the time of automatic enrollment of a child, the Secretary provides for issuance to a parent or custodian of the individual a card evidencing coverage under this title and for a description of such coverage.

The provisions of section 1837(h) apply with respect to enrollment under this title in the same manner as they apply to enrollment under part B of title XVIII.

''(c) DATE COVERAGE BEGINS.—

''(1) IN GENERAL.—The period during which an individual is entitled to benefits under this title shall begin as follows, but in no case earlier than January 1, 2003:

''(A) In the case of an individual who is enrolled under paragraph (1) or (2) of subsection (b), the date of birth or date of obtaining appropriate citizenship or immigration status, as the case may be.

''(B) In the case of an another individual who enrolls (including pre-enrolls) before the month in which the individual satisfies eligibility for enrollment under subsection (a), the first day of such month of eligibility.

''(C) In the case of an another individual who enrolls during or after the month in which the individual first satisfies eligibility for enrollment under such subsection, the first day of the following month.

''(2) AUTHORITY TO PROVIDE FOR PARTIAL MONTHS OF COVERAGE.—Under regulations, the Secretary may, in the Secretary's discretion, provide for coverage periods that include portions of a month in order to avoid lapses of coverage.

''(3) LIMITATION ON PAYMENTS.—No payments may be made under this title with respect to the expenses of an individual enrolled under this title unless such expenses were incurred by such individual during a period which, with respect to the individual, is a coverage period under this section.

''(d) EXPIRATION OF ELIGIBILITY.—An individual's coverage period under this part shall continue until the individual's enrollment has been terminated because the individual no longer meets the requirements of subsection (a) (whether because of age or change in immigration status).

''(e) ENTITLEMENT TO MEDIKIDS BENEFITS FOR ENROLLED INDIVIDUALS.—An individual enrolled under this section is entitled to the benefits described in section 2202.

''(f) LOW-INCOME INFORMATION.—At the time of enrollment of a child under this title, the Secretary shall make an inquiry as to whether or not the family income of the family that includes the child is less than 150 percent of the poverty line for a family of the size involved. If the family income is

below such level, the Secretary shall encode in the identification card issued in connection with eligibility under this title a code indicating such fact. The Secretary also shall provide for a toll-free telephone line at which providers can verify whether or not such a child is in a family the income of which is below such level.

''(g) CONSTRUCTION.—Nothing in this title shall be construed as requiring (or preventing) an individual who is enrolled under this section from seeking medical assistance under a State medicaid plan under title XIX or child health assistance under a State child health plan under title XXI.

''SEC. 2202. BENEFITS.

''(a) SECRETARIAL SPECIFICATION OF BENEFIT PACKAGE.—

''(1) IN GENERAL.—The Secretary shall specify the benefits to be made available under this title consistent with the provisions of this section and in a manner designed to meet the health needs of enrollees.

''(2) UPDATING.—The Secretary shall update the specification of benefits over time to ensure the inclusion of age-appropriate benefits to reflect the enrollee population.

''(3) ANNUAL UPDATING.—The Secretary shall establish procedures for the annual review and updating of such benefits to account for changes in medical practice, new information from medical research, and other relevant developments in health science.

''(4) INPUT.—The Secretary shall seek the input of the pediatric community in specifying and updating such benefits.

''(5) LIMITATION ON UPDATING.—In no case shall updating of benefits under this subsection result in a failure to provide benefits required under subsection (b).

''(b) INCLUSION OF CERTAIN BENEFITS.—

''(1) MEDICARE CORE BENEFITS.—Such benefits shall include (to the extent consistent with other provisions of this section) at least the same benefits (including coverage, access, availability, duration, and beneficiary rights) that are available under parts A and B of title XVIII.

''(2) ALL REQUIRED MEDICAID BENEFITS.—Such benefits shall also include all items and services for which medical assistance is required to be provided under section 1902(a)(10)(A) to individuals described in such section, including early and periodic screening, diagnostic services, and treatment services.

''(3) INCLUSION OF PRESCRIPTION DRUGS.—Such benefits also shall include (as specified by the Secretary) prescription drugs and biologicals.

''(4) COST-SHARING.—

''(A) IN GENERAL.—Subject to subparagraph (B), such benefits also shall include the cost-sharing (in the form of deductibles, coinsurance, and copayments) applicable under title XVIII with respect to comparable items and services, except that no cost-sharing shall be imposed with respect to early and periodic screening and diagnostic services included under paragraph (2).

''(B) NO COST-SHARING FOR LOWEST INCOME CHILDREN.—Such benefits shall not include any cost-sharing for children in families the income of which (as determined for purposes of section 1905(p)) does not exceed 150 percent of the official income poverty line (referred to in such section) applicable to a family of the size involved.

''(C) REFUNDABLE CREDIT FOR COST-SHARING FOR OTHER LOW-INCOME CHILDREN.—For a refundable credit for cost-sharing in the case of children in certain families, see section 35 of the Internal Revenue Code of 1986.

''(c) PAYMENT SCHEDULE.—The Secretary, with the assistance of the Medicare Payment Advisory Commission, shall develop and implement a payment schedule for benefits covered under this title. To the extent feasible, such payment schedule shall be consistent with comparable payment schedules and reimbursement methodologies applied under parts A and B of title XVIII.

''(d) INPUT.—The Secretary shall specify such benefits and payment schedules only after obtaining input from appropriate child health providers and experts.

''(e) ENROLLMENT IN HEALTH PLANS.—The Secretary shall provide for the offering of benefits under this title through enrollment in a health benefit plan that meets the same (or similar) requirements as the requirements that apply to Medicare+Choice plans under part C of title XVIII. In the case of individuals enrolled under this title in such a plan, the Medicare+Choice capitation rate described in section 1853(c) shall be adjusted in an appropriate manner to reflect differences between the population served under this title and the population under title XVIII.

''SEC. 2203. PREMIUMS.

''(a) AMOUNT OF MONTHLY PREMIUMS.—

''(1) IN GENERAL.—The Secretary shall, during September of each year (beginning with 2002), establish a monthly MediKids premium. Subject to paragraph (2), the monthly MediKids premium for a year is equal to 1/12 of the annual premium rate computed under subsection (b).

''(2) ELIMINATION OF MONTHLY PREMIUM FOR DEMONSTRATION OF EQUIVALENT COVERAGE (INCLUDING COVERAGE UNDER LOW-INCOME PROGRAMS).—The amount of the monthly premium imposed under this section for an individual for a month shall be zero in the case of an individual who demonstrates to the satisfaction of the Secretary that the individual has basic health insurance coverage for that month. For purposes of the previous sentence enrollment in a medicaid plan under title XIX, a State child health insurance plan under title XXI, or under the medicare program under title XVIII is deemed to constitute basic health insurance coverage described in such sentence.

''(b) ANNUAL PREMIUM.—

''(1) NATIONAL, PER CAPITA AVERAGE.—The Secretary shall estimate the average, annual per capita amount that would be payable under this title with respect to individuals residing in the United States who meet the requirement of section 2201(a)(1) as if all such individuals were eligible for (and enrolled) under this title during the entire year (and assuming that section 1862(b)(2)(A)(i) did not apply).

''(2) ANNUAL PREMIUM.—Subject to subsection (d), the annual premium under this subsection for months in a year is equal to 25 percent of the average, annual per capita amount estimated under paragraph (1) for the year.

''(c) PAYMENT OF MONTHLY PREMIUM.—

''(1) PERIOD OF PAYMENT.—In the case of an individual who participates in the program established by this title, subject to subsection (d), the monthly premium shall be payable for the period commencing with the first month of the individual's coverage period and ending with the month in which the individual's coverage under this title terminates.

''(2) COLLECTION THROUGH TAX RETURN.—For provisions providing for the payment of monthly premiums under this subsection, see section 59B of the Internal Revenue Code of 1986.

''(3) PROTECTIONS AGAINST FRAUD AND ABUSE.—The Secretary shall develop, in coordination with States and other health insurance issuers, administrative systems to ensure that claims which are submitted to more than one payor are coordinated and duplicate payments are not made.

''(d) REDUCTION IN PREMIUM FOR CERTAIN LOW-INCOME FAMILIES.—For provisions reducing the premium under this section for certain low-income families, see section 59B(c) of the Internal Revenue Code of 1986.

''SEC. 2204. MEDIKIDS TRUST FUND.

''(a) ESTABLISHMENT OF TRUST FUND.—

''(1) IN GENERAL.—There is hereby created on the books of the Treasury of the United States a trust fund to be known as the 'MediKids Trust Fund' (in this section referred to as the 'Trust Fund'). The Trust Fund shall consist of such gifts and bequests as may be made as provided in section 201(i)(1) and such amounts as may be deposited in, or appropriated to, such fund as provided in this title.

''(2) PREMIUMS.—Premiums collected under section 2203 shall be transferred to the Trust Fund.

''(b) INCORPORATION OF PROVISIONS.—

''(1) IN GENERAL.—Subject to paragraph (2), subsections (b) through (i) of section 1841 shall apply with respect to the Trust Fund and this title in the same manner as they apply with respect to the Federal Supplementary Medical Insurance Trust Fund and part B, respectively.

''(2) MISCELLANEOUS REFERENCES.—In applying provisions of section 1841 under paragraph (1)—

''(A) any reference in such section to 'this part' is construed to refer to title XXII;

''(B) any reference in section 1841(h) to section 1840(d) and in section 1841(i) to sections 1840(b)(1) and 1842(g) are deemed references to comparable authority exercised under this title;

''(C) payments may be made under section 1841(g) to the Trust Funds under sections 1817 and 1841 as reimbursement to such funds for payments they made for benefits provided under this title; and

''(D) the Board of Trustees of the MediKids Trust Fund shall be the same as the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund.

''SEC. 2205. OVERSIGHT AND ACCOUNTABILITY.

''(a) THROUGH ANNUAL REPORTS OF TRUSTEES.—The Board of Trustees of the MediKids Trust Fund under section 2204(b)(1) shall report on an annual basis to Congress concerning the status of the Trust Fund and the need for adjustments in the program under this title to maintain financial solvency of the program under this title.

''(b) PERIODIC GAO REPORTS.—The Comptroller General of the United States shall periodically submit to Congress reports on the adequacy of the financing of coverage provided under this title. The Comptroller General shall include in such report such recommendations for adjustments in such financing and coverage as the Comptroller General deems appropriate in order to maintain financial solvency of the program under this title.

''SEC. 2206. INCLUSION OF CARE COORDINATION SERVICES.

''(a) IN GENERAL.—

''(1) PROGRAM AUTHORITY.—The Secretary, beginning in 2003, may implement a care coordination services program in accordance with the provisions of this section under which, in appropriate circumstances, eligible individuals may elect to have health care services covered under this title managed and coordinated by a designated care coordinator.

''(2) ADMINISTRATION BY CONTRACT.—The Secretary may administer the program under this section through a contract with an appropriate program administrator.

''(3) COVERAGE.—Care coordination services furnished in accordance with this section shall be treated under this title as if they were included in the definition of medical

and other health services under section 1861(s) and benefits shall be available under this title with respect to such services without the application of any deductible or coinsurance.

''(b) ELIGIBILITY CRITERIA; IDENTIFICATION AND NOTIFICATION OF ELIGIBLE INDIVIDUALS.—

''(1) INDIVIDUAL ELIGIBILITY CRITERIA.—The Secretary shall specify criteria to be used in making a determination as to whether an individual may appropriately be enrolled in the care coordination services program under this section, which shall include at least a finding by the Secretary that for cohorts of individuals with characteristics identified by the Secretary, professional management and coordination of care can reasonably be expected to improve processes or outcomes of health care and to reduce aggregate costs to the programs under this title.

''(2) PROCEDURES TO FACILITATE ENROLLMENT.—The Secretary shall develop and implement procedures designed to facilitate enrollment of eligible individuals in the program under this section.

''(c) ENROLLMENT OF INDIVIDUALS.—

''(1) SECRETARY'S DETERMINATION OF ELIGIBILITY.—The Secretary shall determine the eligibility for services under this section of individuals who are enrolled in the program under this section and who make application for such services in such form and manner as the Secretary may prescribe.

''(2) ENROLLMENT PERIOD.—

''(A) EFFECTIVE DATE AND DURATION.—Enrollment of an individual in the program under this section shall be effective as of the first day of the month following the month in which the Secretary approves the individual's application under paragraph (1), shall remain in effect for one month (or such longer period as the Secretary may specify), and shall be automatically renewed for additional periods, unless terminated in accordance with such procedures as the Secretary shall establish by regulation. Such procedures shall permit an individual to disenroll for cause at any time and without cause at re-enrollment intervals.

''(B) LIMITATION ON REENROLLMENT.—The Secretary may establish limits on an individual's eligibility to reenroll in the program under this section if the individual has disenrolled from the program more than once during a specified time period.

''(d) PROGRAM.—The care coordination services program under this section shall include the following elements:

''(1) BASIC CARE COORDINATION SERVICES.—

''(A) IN GENERAL.—Subject to the cost-effectiveness criteria specified in subsection (b)(1), except as otherwise provided in this section, enrolled individuals shall receive services described in section 1905(t)(1) and may receive additional items and services as described in subparagraph (B).

''(B) ADDITIONAL BENEFITS.—The Secretary may specify additional benefits for which payment would not otherwise be made under this title that may be available to individuals enrolled in the program under this section (subject to an assessment by the care coordinator of an individual's circumstance and need for such benefits) in order to encourage enrollment in, or to improve the effectiveness of, such program.

''(2) CARE COORDINATION REQUIREMENT.—Notwithstanding any other provision of this title, the Secretary may provide that an individual enrolled in the program under this section may be entitled to payment under this title for any specified health care items or services only if the items or services have been furnished by the care coordinator, or coordinated through the care coordination services program. Under such provision, the Secretary shall prescribe exceptions for emergency medical services as described in section 1852(d)(3), and other exceptions determined by the Secretary for the delivery of timely and needed care.

''(e) CARE COORDINATORS.—

''(1) CONDITIONS OF PARTICIPATION.—In order to be qualified to furnish care coordination services under this section, an individual or entity shall—

''(A) be a health care professional or entity (which may include physicians, physician group practices, or other health care professionals or entities the Secretary may find appropriate) meeting such conditions as the Secretary may specify;

''(B) have entered into a care coordination agreement; and

''(C) meet such criteria as the Secretary may establish (which may include experience in the provision of care coordination or primary care physician's services).

''(2) AGREEMENT TERM; PAYMENT.—

''(A) DURATION AND RENEWAL.—A care coordination agreement under this subsection shall be for one year and may be renewed if the Secretary is satisfied that the care coordinator continues to meet the conditions of participation specified in paragraph (1).

''(B) PAYMENT FOR SERVICES.—The Secretary may negotiate or otherwise establish payment terms and rates for services described in subsection (d)(1).

''(C) LIABILITY.—Case coordinators shall be subject to liability for actual health damages which may be suffered by recipients as a result of the care coordinator's decisions, failure or delay in making decisions, or other actions as a care coordinator.

''(D) TERMS.—In addition to such other terms as the Secretary may require, an agreement under this section shall include the terms specified in subparagraphs (A) through (C) of section 1905(t)(3).

''SEC. 2207. ADMINISTRATION AND MISCELLANEOUS.

''(a) IN GENERAL.—Except as otherwise provided in this title—

''(1) the Secretary shall enter into appropriate contracts with providers of services, other health care providers, carriers, and fiscal intermediaries, taking into account the types of contracts used under title XVIII with respect to such entities, to administer the program under this title;

''(2) individuals enrolled under this title shall be treated for purposes of title XVIII as though the individual were entitled to benefits under part A and enrolled under part B of such title;

''(3) benefits described in section 2202 that are payable under this title to such individuals shall be paid in a manner specified by the Secretary (taking into account, and based to the greatest extent practicable upon, the manner in which they are provided under title XVIII);

''(4) provider participation agreements under title XVIII shall apply to enrollees and benefits under this title in the same manner as they apply to enrollees and benefits under title XVIII; and

''(5) individuals entitled to benefits under this title may elect to receive such benefits under health plans in a manner, specified by the Secretary, similar to the manner provided under part C of title XVIII.

''(b) COORDINATION WITH MEDICAID AND SCHIP.—Notwithstanding any other provision of law, individuals entitled to benefits for items and services under this title who also qualify for benefits under title XIX or XXI or any other Federally funded program may continue to qualify and obtain benefits under such other title or program, and in such case such an individual shall elect either—

''(1) such other title or program to be primary payor to benefits under this title, in which case no benefits shall be payable under this title and the monthly premium under section 2203 shall be zero; or

''(2) benefits under this title shall be primary payor to benefits provided under such program or title, in which case the Secretary shall enter into agreements with States as may be appropriate to provide that, in the case of such individuals, the benefits under titles XIX and XXI or such other program (including reduction of cost-sharing) are provided on a 'wrap-around' basis to the benefits under this title.''.

(b) CONFORMING AMENDMENTS TO SOCIAL SECURITY ACT PROVISIONS.—

(1) Section 201(i)(1) of the Social Security Act (42 U.S.C. 401(i)(1)) is amended by striking ''or the Federal Supplementary Medical Insurance Trust Fund'' and inserting ''the Federal Supplementary Medical Insurance Trust Fund, and the MediKids Trust Fund''.

(2) Section 201(g)(1)(A) of such Act (42 U.S.C. 401(g)(1)(A)) is amended by striking '' and the Federal Supplementary Medical Insurance Trust Fund established by title XVIII'' and inserting '', the Federal Supplementary Medical Insurance Trust Fund, and the MediKids Trust Fund established by title XVIII''.

(3) Section 1853(c) of such Act (42 U.S.C. 1395w–23(c)) is amended—

(A) in paragraph (1), by striking ''or (7)'' and inserting '', (7), or (8)'', and

(B) by adding at the end the following:

''(8) ADJUSTMENT FOR MEDIKIDS.—In applying this subsection with respect to individuals entitled to benefits under title XXII, the Secretary shall provide for an appropriate adjustment in the Medicare+Choice capitation rate as may be appropriate to reflect differences between the population served under such title and the population under parts A and B.''.

(c) MAINTENANCE OF MEDICAID ELIGIBILITY AND BENEFITS FOR CHILDREN.—

(1) IN GENERAL.—In order for a State to continue to be eligible for payments under section 1903(a) of the Social Security Act (42 U.S.C. 1396b(a))—

(A) the State may not reduce standards of eligibility, or benefits, provided under its State medicaid plan under title XIX of the Social Security Act or under its State child health plan under title XXI of such Act for individuals under 23 years of age below such standards of eligibility, and benefits, in effect on the date of the enactment of this Act; and

(B) the State shall demonstrate to the satisfaction of the Secretary of Health and Human Services that any savings in State expenditures under title XIX or XXI of the Social Security Act that results from children from enrolling under title XXII of such Act shall be used in a manner that improves services to beneficiaries under title XIX of such Act, such as through increases in provider payment rates, expansion of eligibility, improved nurse and nurse aide staffing and improved inspections of nursing facilities, and coverage of additional services.

(2) MEDIKIDS AS PRIMARY PAYOR.—In applying title XIX of the Social Security Act, the MediKids program under title XXII of such Act shall be treated as a primary payor in cases in which the election described in section 2207(b)(2) of such Act, as added by subsection (a), has been made.

(d) EXPANSION OF MEDPAC MEMBERSHIP TO 19.—

(1) IN GENERAL.—Section 1805(c) of the Social Security Act (42 U.S.C. 1395b–6(c)) is amended—

(A) in paragraph (1), by striking ''17'' and inserting ''19''; and

(B) in paragraph (2)(B), by inserting ''experts in children's health,'' after ''other health professionals,''.

(2) INITIAL TERMS OF ADDITIONAL MEMBERS.—

(A) IN GENERAL.—For purposes of staggering the initial terms of members of the Medicare Payment Advisory Commission under section 1805(c)(3) of the Social Security Act (42 U.S.C. 1395b–6(c)(3)), the initial terms of the 2 additional members of the Commission provided for by the amendment under subsection (a)(1) are as follows:

(i) One member shall be appointed for 1 year.

(ii) One member shall be appointed for 2 years.

(B) COMMENCEMENT OF TERMS.—Such terms shall begin on January 1, 2002.

SEC. 3. MEDIKIDS PREMIUM.

(a) GENERAL RULE.—Subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to determination of tax liability) is amended by adding at the end the following new part:

"PART VIII—MEDIKIDS PREMIUM

''Sec. 59B. MediKids premium.

"SEC. 59B. MEDIKIDS PREMIUM.

''(a) IMPOSITION OF TAX.—In the case of an individual to whom this section applies, there is hereby imposed (in addition to any other tax imposed by this subtitle) a MediKids premium for the taxable year.

''(b) INDIVIDUALS SUBJECT TO PREMIUM.—

''(1) IN GENERAL.—This section shall apply to an individual if the taxpayer has a MediKid at any time during the taxable year.

''(2) MEDIKID.—For purposes of this section, the term 'MediKid' means, with respect to a taxpayer, any individual with respect to whom the taxpayer is required to pay a premium under section 2203(c) of the Social Security Act for any month of the taxable year.

''(c) AMOUNT OF PREMIUM.—For purposes of this section, the MediKids premium for a taxable year is the sum of the monthly premiums under section 2203 of the Social Security Act for months in the taxable year.

''(d) EXCEPTIONS BASED ON ADJUSTED GROSS INCOME.—

''(1) EXEMPTION FOR VERY LOW-INCOME TAXPAYERS.—

''(A) IN GENERAL.—No premium shall be imposed by this section on any taxpayer having an adjusted gross income not in excess of the exemption amount.

''(B) EXEMPTION AMOUNT.—For purposes of this paragraph, the exemption amount is—

''(i) $17,415 in the case of a taxpayer having 1 MediKid,

''(ii) $21,945 in the case of a taxpayer having 2 MediKids,

''(iii) $26,475 in the case of a taxpayer having 3 MediKids, and

''(iv) $31,005 in the case of a taxpayer having 4 or more MediKids.

''(C) PHASEOUT OF EXEMPTION.—In the case of a taxpayer having an adjusted gross income which exceeds the exemption amount but does not exceed twice the exemption amount, the premium shall be the amount which bears the same ratio to the premium which would (but for this subparagraph) apply to the taxpayer as such excess bears to the exemption amount.

''(D) INFLATION ADJUSTMENT OF EXEMPTION AMOUNTS.—In the case of any taxable year beginning in a calendar year after 2001, each dollar amount contained in subparagraph (C) shall be increased by an amount equal to the product of—

''(i) such dollar amount, and

''(ii) 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 2000' for 'calendar year 1992' in subparagraph (B) thereof.

If any increase determined under the preceding sentence is not a multiple of $50, such increase shall be rounded to the nearest multiple of $50.

''(2) PREMIUM LIMITED TO 5 PERCENT OF ADJUSTED GROSS INCOME.—In no event shall any taxpayer be required to pay a premium under this section in excess of an amount equal to 5 percent of the taxpayer's adjusted gross income.

''(e) COORDINATION WITH OTHER PROVISIONS.—

''(1) NOT TREATED AS MEDICAL EXPENSE.—For purposes of this chapter, any premium paid under this section shall not be treated as expense for medical care.

''(2) NOT TREATED AS TAX FOR CERTAIN PURPOSES.—The premium paid under this section shall not be treated as a tax imposed by this chapter for purposes of determining—

''(A) the amount of any credit allowable under this chapter, or

''(B) the amount of the minimum tax imposed by section 55.

''(3) TREATMENT UNDER SUBTITLE F.—For purposes of subtitle F, the premium paid under this section shall be treated as if it were a tax imposed by section 1.''.

(b) TECHNICAL AMENDMENTS.—

(1) Subsection (a) of section 6012 of such Code is amended by inserting after paragraph (9) the following new paragraph:

''(10) Every individual liable for a premium under section 59B.''.

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

''Part VIII. MediKids premium.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after December 2002, in taxable years ending after such date.

SEC. 4. REFUNDABLE CREDIT FOR COST-SHARING EXPENSES UNDER MEDIKIDS PROGRAM.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. COST-SHARING EXPENSES UNDER MEDIKIDS PROGRAM.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual who has a MediKid (as defined in section 59B) at any time during the taxable year, there shall be allowed as a credit against the tax imposed by this subtitle an amount equal to 50 percent of the amount paid by the taxpayer during the taxable year as cost-sharing under section 2202(b)(4) of the Social Security Act.

''(b) LIMITATION BASED ON ADJUSTED GROSS INCOME.—The amount of the credit which would (but for this subsection) be allowed under this section for the taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to such amount of credit as the excess of the taxpayer's adjusted gross income for such taxable year over the exemption amount (as defined in section 59B(d)) bears to such exemption amount.''.

(b) TECHNICAL AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period ''or from section 35 of such Code''.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by striking the last item and inserting the following new items:

''Sec. 35. Cost-sharing expenses under MediKids program.

''Sec. 36. Overpayments of tax.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

SEC. 5. REPORT ON LONG-TERM REVENUES.

Within one year after the date of the enactment of this Act, the Secretary of the Treasury shall propose a gradual schedule of progressive tax changes to fund the program under title XXII of the Social Security Act, as the number of enrollees grows in the outyears.

SUMMARY OF THE MEDIKIDS HEALTH INSURANCE ACT OF 2001

The MediKids Health Insurance Act provides health insurance for all children in the United States regardless of family income level by 2008. The program is modeled after Medicare, but the benefits are targeted toward children. Families below 150 percent of poverty pay no premium or copays, while those between 150 and 300 percent of poverty pay a graduated premium up to 5 percent of their income and receive a graduated refundable tax credit for cost sharing expenses.

The MediKids enrollment process is simple with no re-determination hoops to jump through because it is not means tested. MediKids follows children across state lines when families move, and covers them until their parents can enroll them in a new insurance program. Moreover, MediKids fills the gaps when families climbing out of poverty become ineligible for means-tested programs. It provides security for children until their parents can obtain reliable health insurance coverage.

ENROLLMENT

Every child born after 2002 is automatically enrolled in MediKids, and those children already born are enrolled over a 5–year phase-in as described below. Children who immigrate to this country are enrolled when they receive their immigration cards. Materials describing the program's benefits, along with a MediKids insurance card, are issued to the parent(s) or legal guardian(s) of each child. Once enrolled, children remain enrolled in MediKids until they reach the age of 23.

Parents may choose to enroll their children in private plans or government programs such as Medicaid or S–CHIP. During periods of equivalent alternative coverage, the MediKids premium is waived. However, if a lapse in other insurance coverage occurs, MediKids automatically covers the children's health insurance needs (and a premium will be owed for those months).

PHASE-IN

Year 1 (2003) = the child has not attained age 6.

Year 2 (2004) = the child has not attained age 11.

Year 3 (2005) = the child has not attained age 16

Year 4 (2006) = the child has not attained age 21.

Year 5 (2007) = the child has not attained age 23.

BENEFITS

The benefit package is based on the Medicare and the Medicaid Early and Periodic Screening. Diagnosis, and Treatment (EPSDT) benefits for children, and includes prescription drugs. The benefits will be reviewed annually and updated by the Secretary of Health and Human Services to reflect age-appropriate benefits as needed with input from the pediatric community.

PREMIUMS, DEDUCTIBLES, AND COPAYS

Families up to 150 percent of poverty pay no premiums or copays. Families between 150 and 300 percent of poverty pay a graduated premium up to 5 percent of their income and

receive a graduated refundable tax credit for cost sharing expenses. Parents 300 percent of poverty are responsible for a small premium equal to one fourth of the average annual cost per child. Premiums are collected at the time of income tax filing. There is no cost sharing for preventive and well childcare for any children.

FINANCING

Congress would need to determine initial funding. In future years, the Secretary of Treasury would develop a package of progressive, gradual tax changes to fund the program, as the number of enrollees grows.

STATES

Medicaid and S–CHIP are not altered by MediKids. These programs remain the safety net for children until MediKids is fully implemented and appropriately modified to best serve our nation's children. Once MediKids is fully operational, Congress can revisit the role of these programs in covering children.

To the extent that the states save money from the enrollment of children into MediKids, states are required to maintain those funding levels in other programs and services directed toward the Medicaid population. This can include expanding eligibility or offering additional services. For example, states could expand eligibility for parents and single individuals, increase payment rates to providers, or enhance quality initiatives in nursing homes.

By Mr. LIEBERMAN (for himself, Ms. SNOWE, Mr. SCHUMER, Mr. HUTCHINSON, Mr. DODD, Mrs. CLINTON, Ms. CANTWELL, Mr. CARPER, Mr. DORGAN, Mr. LEAHY, Mr. LEVIN, Mr. HARKIN, Mr. AKAKA, and Ms. MIKULSKI):

S. 828. A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for certain energy-efficient property; to the Committee on Finance.

Mr. LIEBERMAN. Mr. President, I am pleased today to join a bipartisan coalition of Senators in introducing environmentally friendly legislation to encourage the use of fuel cells, a clean and cutting-edge energy source. If adopted, this bill would provide tax incentives to consumers for purchasing residential and commercial fuel cell systems to power their electricity. The $1,000-per-kilowatt tax credit applies to all types of stationary fuel cell systems and would be applicable for 5 years. This is a Senate companion piece to legislation introduced in the House of Representatives by Representative NANCY JOHNSON last month.

With oil and gas prices now reaching record highs, I believe fuel cells are one excellent answer to our heightened energy demand and dependence on foreign oil. The benefits of fuel cell technology are many. They are a nearly pollution-free power supply because they operate without combustion; they can run on any hydrogen-rich source, including propane, natural gas, methane or diesel; they can operate independently of a power grid, which is ideal for remote locations, and they provide highly reliable, uninterrupted power, making them very attractive for applications highly sensitive to power interruptions. Currently they are being used at a variety of locations, including a New York City police station in Central Park, a major postal facility in Alaska, a hotel on Mohegan tribal lands in Connecticut, and in a hospital in California.

Fuel cells have been successfully used since the 1960s. Initially they were developed for space applications and have provided all of the water and electricity needs in every manned U.S. space mission, including the Apollo and Gemini spacecraft. Since this time, they have been developed for a wide variety of other applications, including commercial, residential, and transportation uses.

I am pleased to join Senators SNOWE, SCHUMER, DODD, HUTCHINSON, CLINTON, CANTWELL, CARPER, DORGAN, LEAHY, LEVIN, HARKIN, AKAKA, and MIKULSKI on this important bill.

Ms. SNOWE. Mr. President, I rise today with my colleague from Connecticut Senator LIEBERMAN, to introduce a bill that will promote the expanded use of an environmentally sound and efficient energy technology, fuel cell power.

We all agree with President Bush that we have a crisis situation, America's energy future is bleak. Portions of our country are experiencing rolling blackouts, fuel prices are skyrocketing, America's dependence on imported oil reached a new high of over 60 percent in recent months, and our search for additional fossil fuels threatens the sanctity of protected wilderness areas. Now is the time to promote long term solutions such as fuel cell technology to reduce our fossil fuel consumption and maintain a steady supply of energy.

Fuel cells are not a futuristic dream, every manned U.S. space mission has relied upon fuel cells for electricity and drinking water. From a New York city police station to a postal facility in Alaska to hospitals, schools, banks, military installations, and manufacturing facilities around the world, fuel cell units are efficiently generating dependable power 24 hours a day, seven days a week for upwards of 5 years with only routine maintenance.

Fuel cell technology offers a clean, secure, efficient, and dependable source of energy that should be part of our national energy strategy. Not only do fuel cells deliver the high quality, reliable power that is considered an absolute necessity for many portions of our society, they reduce power grid demand while improving grid flexibility. Fuel cells are an ideal energy source to address America's pressing energy needs.

Using an electro-chemical reaction to convert energy from hydrogen-rich fuel sources into electricity, fuel cells reduce the need for fossil fuel consumption. And, since no combustion is involved, fuel cells produce virtually no air pollution and significantly reduce carbon dioxide emissions. In fact, a 200 kilowatt fuel cell power plant produces less than one ounce of pollutants for every 1,000 kilowatt hours of electricity it yields. In comparison, the average American fossil fuel plant produces nearly 25 pounds of pollutants to generate the same 1,000 kilowatt hours of electricity. That is 400 times the amount of the fuel cell power plant.

However, it is difficult for consumers to take advantage of fuel cells because as with any new technology, the introductory price is high. To create the market incentives necessary to speed the commercialization of this technology, our legislation provides a $1,000 per kilowatt stationary fuel cell tax credit for power plants that have an electrical generation efficiency of 30 percent or higher.

By lowering the initial price for consumers, market introduction and production volume of fuel cells will be accelerated with the end result being a significant reduction in manufacturing costs. The decrease in price would enable even more consumers to use the one of the cleanest, most reliable and most efficient means to generate electricity.

This fuel cell tax credit is designed to benefit the widest range of potential fuel cell customers and manufacturers with a meaningful incentive for the purchase of fuel cells for residential and commercial use while minimizing the budget impact to $500 million over the 5-year life of the program. I hope my colleagues will agree that an annual cost of $100 million is a small price to pay for a reliable source of power that will benefit the environment and reduce our nation's dependence on foreign oil supplies.

At a time when power shortages and interruptions are becoming more prevalent, we must increase our investment and commitment to non-traditional energy sources such as fuel cells. The reliable, combustion-free power fuel cells provide is a sensible alternative that is available today. I urge my colleagues to support us in the Fuel Cell Tax Credit.

By Mr. BROWNBACK (for himself, Mr. CLELAND, Mr. SANTORUM, Mr. LOTT, Mrs. CLINTON, Mr. REID, Mr. DODD, Mr. MILLER, and Mr. EDWARDS):

S. 829. A bill to establish the National Museum of African American History and Culture within the Smithsonian Institution; to the Committee on Rules and Administration.

Mr. BROWNBACK. Mr. President, I am honored to introduce legislation, today, that creates the ''National Museum of African American History and Culture.'' I along with Senators MAX CLELAND, RICH SANTORUM, Majority Leader LOTT, HILLARY CLINTON, HARRY REID, CHRISTOPHER DODD, ZELL MILLER, and JOHN EDWARDS are committed to passing this legislation this year.

One of the most important chapters in our national story of human freedom and dignity is the history and legacy of the African American march toward freedom, legal equality and full participation in American Society. Yet in our

nation's front yard, the National Mall, there is no museum set aside to honor this legacy.

As a Kansan, I feel a special connection to honoring the legacy of African-Americans. Kansas, as you know, not only played a significant role in the Civil War but also was chosen by many African-American families as a place to began their new life of freedom and prosperity in the ''Exodus to Kansas.''

This is just one part of the incredible history of African Americans that must be told on a national level. We have over 200 wonderful African-American history museums across the nation that tell portions of the African-American story. However, this legacy must be showcased at a national level.

That is why I am here today with my colleagues introducing this legislation to create the National Museum of African-American history and culture within the Smithsonian Institution, a premier organization, which represents the best museums in the nation. We believe it is vitally important that the Smithsonian, the world's leading museum organization, provide its expertise in putting this facility and its programs together.

This project has brought together a very broad and bicameral coalition that stood with us today during the press conference to announce the introduction of this bill. I would like to personally thank Pastor Chuck Singleton, of Loveland Church in California, as well as Robert Johnson, of B.E.T., Dorothy Height of the National Council of Negro Women, and Phyllis Berry Myers, of the Center for New Black Leadership for joining with us to support this legislation today.

We do not pretend that our legislation is a cure-all for the problem of racial division. It is, however, an important and productive step toward healing our nation's racial wounds. I believe that this museum will both celebrate African-American achievement and serve as a landmark of national conscience on the historical facts of slavery and the civil rights struggle.

We have an extraordinary opportunity before us—a chance to learn, understand and remember together our nation's history and to honor the significant contribution of African Americans to our history and culture.

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. 829

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 ''National Museum of African American History and Culture Act of 2001''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Over the history of our Nation, the United States has grown into a symbol of democracy and freedom around the world, and the legacy of African Americans is rooted in the very fabric of our Nation's democracy and freedom.

(2) There exists no national museum within the Smithsonian Institution located on the National Mall that is devoted to the documentation of African American life, art, history, and culture and that encompasses on a national level, the period of slavery, the era of reconstruction, the Harlem renaissance, the civil rights movement, and beyond.

(3) Slavery was an accepted practice in this Nation, authorized by the Government through legislation such as the fugitive slave law of 1793 (1 Stat. 302) and sanctioned by the Supreme Court in the Dred Scott decision (Scott v. Sanford, 60 U.S. 393 (1857)).

(4) Those African Americans who suffered under slavery and their descendants show us the strength of the human character and provide us with a model of courage, commitment, and perseverance. A national museum dedicated to the history of and commemorating those who suffered the grave injustice of slavery in this country will help in ''binding our Nation's wounds'' rooted in slavery and will allow all Americans to understand the past and honor the history of all Americans.

(5) Leaders of the African American community in the 1950s and 1960s led this Nation in the civil rights movement with the intent of ending discrimination against African Americans. During this period, many African American churches were destroyed and countless individuals involved in this movement were often beaten and killed. Through the devotion and sacrifice of those leaders, the civil rights movement made great strides in ensuring equality for African Americans in this country.

(6) African Americans have enriched the cultural make-up of the United States by their contributions in the areas of science, medicine, the arts and humanities, sports, music, and dance.

(7) Preserving this rich record of the experiences of African Americans, studying their experiences, and presenting those experiences through exhibits to the public would be of great educational and social value.

(8) The creation of a National Museum of African American History and Culture located on the National Mall in the District of Columbia and administered by the Smithsonian Institution's Board of Regents was endorsed in 1991 by a unanimous vote by the Smithsonian Institution's Board of Regents.

(9) The Smithsonian African American Institutional Study recommended that the National Museum of African American History and Culture be established in the Arts and Industries Building of the Smithsonian Institution.

(10) Although the Smithsonian Institution has had some success in focusing on African American history and culture, the programming on African American history and culture has been occasional and episodic.

(11) A National Museum of African American History and Culture will provide a continued and consistent African American presence on the National Mall.

(12) The National Museum of African American History and Culture will be dedicated to the collection, preservation, research, and exhibition of African American historical and cultural material reflecting the breadth and depth of the experiences of persons of African descent living in the United States.

(13) The National Museum of African American History and Culture established by this Act will coordinate the collection of material related to African Americans, which is rapidly disappearing due to a lack of resources and trained professionals engaged in preservation.

(14) The work of the National Museum of African American History and Culture will be, fundamentally, the same as the work of all museums in the United States that reflect and express the experiences of the people of the United States in an inclusive manner.

SEC. 3. ESTABLISHMENT OF THE NATIONAL MUSEUM OF AFRICAN AMERICAN HISTORY AND CULTURE.

(a) ESTABLISHMENT.—There is established within the Smithsonian Institution the National Museum of African American History and Culture (hereafter referred to in this Act as the ''Museum''), and the Smithsonian Institution shall maintain and administer the Museum.

(b) PURPOSE.—The purpose of the Museum is to provide for—

(1) the collection, study, and creation of scholarship relating to the African American diaspora that encompasses slavery, the era of reconstruction, the Harlem renaissance, the civil rights movement, and beyond;

(2) the creation and maintenance of permanent and temporary exhibits documenting American slavery and African American life, art, history, and culture from slavery and the era of reconstruction to the Harlem renaissance, the civil rights movement, and beyond;

(3) the collection and study of artifacts and documents relating to African American life, art, history, and culture and the African diaspora;

(4) the establishment of programs in cooperation with other museums, historical societies, educational institutions, and other organizations that promote the understanding of modern day practices of slavery throughout the world;

(5) collaboration between the Museum and other African American museums, historically black colleges and universities, and other museums, historical societies, educational institutions, and other organizations that promote the study of the African diaspora including collaboration regarding—

(A) development of cooperative programs and exhibitions;

(B) identification, management, and care of collections; and

(C) participation in the training of museum professionals; and

(6) leadership and commitment to historical accuracy in the study, education, and exhibition of African American life, art, history, and culture in the museum and throughout the Nation.

SEC. 4. COUNCIL.

(a) ESTABLISHMENT.—There is established in the Smithsonian Institution the National Museum of African American History and Culture Council (hereinafter referred to in this Act as the ''Council'').

(b) DUTIES.—

(1) IN GENERAL.—The Council, subject to subsection (l) and to the general policies of the Board of Regents of the Smithsonian Institution (hereafter referred to in this Act as the ''Board of Regents''), shall have sole authority to—

(A) solicit, accept, use, and dispose of gifts, bequests, and devises of services and property, both real and personal, for the purpose of aiding and facilitating the work of the Museum or the Council;

(B) establish policy with respect to the utilization of the collections and resources of the Museum, including policies on programming, education, exhibitions, and research with respect to life, art, and culture of African Americans, the role of African Americans in the history of the United States, from slavery to the present, and the contributions of African Americans to society;

(C) purchase, accept, borrow, and otherwise acquire artifacts and other property for addition to the collections of the Museum;

(D) provide for restoration, preservation, and maintenance of the collections of the Museum;

(E) loan, exchange, sell, and otherwise dispose of any part of the collections of the Museum, but only if the funds generated by such disposition are used for additions to the collections of the Museum or for programs carried out under section 6; and

(F) contract with and compensate Federal Government and private agencies or persons for supplies and services that would aid the work of the Museum, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(2) ADMINISTRATION.—Subject to subsection (l), the Board of Regents shall advise and assist the Council on all matters relating to the administration, operation, maintenance, and preservation of the Museum.

(3) ANNUAL REPORT TO CONGRESS.—Subject to subsection (l), the Council shall submit to Congress an annual report that—

(A) provides a detailed account of the activities of the Council and the Museum;

(B) recommends an annual budget for the Council and the Museum; and

(C) identifies the future needs of the Council and the Museum.

(4) ANNUAL REPORT TO THE BOARD OF REGENTS.—Subject to subsection (l), the Council shall report annually to the Board of Regents on the acquisition, disposition, and display of African American objects and artifacts and on other appropriate matters.

(c) COMPOSITION AND APPOINTMENT.—

(1) IN GENERAL.—The Council shall be composed of 25 voting members as provided under paragraph (2) and 7 honorary nonvoting members as provided under paragraph (3).

(2) VOTING MEMBERS.—The Council shall include the following voting members:

(A) The Secretary of the Smithsonian Institution.

(B) An Assistant Secretary of the Smithsonian Institution appointed by the Board of Regents.

(C) 13 individuals of diverse disciplines and geographical residence who are committed to the advancement of knowledge of African American history and culture appointed as follows:

(i) 5 individuals shall be appointed by the President from a list of nominees provided by the President pro tempore of the Senate in consultation with the majority and minority leaders of the Senate.

(ii) 5 individuals shall be appointed by the President from a list of nominees provided by the Speaker of the House of Representatives in consultation with the majority and minority leaders of the House of Representatives.

(iii) 3 individuals shall be appointed by the President.

(D) 10 individuals appointed as follows:

(i) 4 individuals shall be appointed by the President from a list of nominees, provided by the President pro tempore of the Senate in consultation with the majority and minority leaders of the Senate, and recommended by the Association of African American Museums, the National African American Museum and Culture Complex, historically black colleges and universities, and cultural or other organizations committed to the advancement of knowledge of African American life, art, history and culture.

(ii) 4 individuals shall be appointed by the President from a list of nominees, provided by the Speaker of the House of Representatives in consultation with the majority and minority leaders of the House of Representatives, and recommended by the Association of African American Museums, the National African American Museum and Culture Complex, historically black colleges and universities, and cultural or other organizations committed to the advancement of knowledge of African American life, art, history and culture.

(iii) 2 individuals shall be appointed by the President.

(3) HONORARY NONVOTING MEMBERS.—The Council shall include the following honorary nonvoting members:

(A) The Secretary of the Interior.

(B) 3 Members of the House of Representatives appointed by the Speaker of the House of Representatives upon the recommendation of the majority and minority leaders of the House of Representatives.

(C) 3 Senators appointed by the President pro tempore of the Senate upon the recommendation of the majority and minority leaders of the Senate.

(d) TERMS.—

(1) IN GENERAL.—

(A) INITIAL APPOINTMENT.—Except as provided in this subsection, each member of the Council shall be appointed for a term that terminates 9 years after the date on which the museum is open to the general public.

(B) SUBSEQUENT APPOINTMENTS.—Except as provided in this subsection, each of the members of the Council that are appointed after the members described in paragraph (1) shall be appointed for a term of 6 years.

(C) REAPPOINTMENT.—Members of the Council may be reappointed for subsequent terms.

(2) MEMBERS OF CONGRESS.—If a member appointed to the Council under subparagraph (B) or (C) of subsection (c)(3) ceases to hold the office that qualified such member for appointment, that member shall cease to be a member of the Council.

(3) VACANCIES AND SUBSEQUENT APPOINTMENTS.—A vacancy on the Council, including among the honorary non-voting members, shall not affect the Council's powers and shall be filled in the manner in which the original appointment was made, except that when filling any vacancies among the voting members and when making any appointments for voting members after the initial appointments, the President shall make appointments from a list of nominees provided by the Council. Any member appointed to fill a vacancy occasioned by death or resignation shall be appointed for the remainder of the term.

(e) COMPENSATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), members of the Council shall serve without pay.

(2) EXPENSES.—Members of the Council shall receive travel expenses, including per diem in lieu of subsistence, in accordance with applicable provisions under subchapter I of chapter 57 of title 5, United States Code.

(f) CHAIRPERSON.—The Council shall elect a chairperson by a majority vote of the voting members of the Council.

(g) MEETINGS.—

(1) IN GENERAL.—The Council shall meet at the call of the chairperson or upon the written request of a majority of the voting members of the Council, but shall meet, subject to paragraph (2), not fewer than 2 times each year.

(2) PLANNING.—During the first year, the Council shall meet not fewer than 10 times for the purpose of the planning and design of the Museum.

(h) QUORUM.—A majority of the voting members of the Council shall constitute a quorum for purposes of conducting business, but a lesser number may receive information on behalf of the Council.

(i) BYLAWS.—The Council shall adopt bylaws.

(j) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Council may, if authorized by a majority of the voting members of the Council, take any action that the Council is authorized to take by this Act.

(k) VOLUNTARY SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the chairperson of the Council may accept for the Council voluntary services provided by a member of the Council.

(l) TRANSFER OF POWERS AND DUTIES.—

(1) IN GENERAL.—Except as provided in this subsection, the Council's powers and duties shall transfer to the Board of Regents 3 years after the date on which the Museum is open to the general public.

(2) ADVISORY COUNCIL.—

(A) IN GENERAL.—3 years after the date on which the Museum is open to the general public, the Council shall become an advisory council (hereafter referred to in this Act as the ''Advisory Council'').

(B) DUTIES OF THE ADVISORY COUNCIL.—The Advisory Council shall advise the Board of Regents on matters related to the administration, operation, and maintenance of the Museum.

(C) MEETINGS.—The Advisory Council shall meet not fewer than 1 time each year.

(D) PERMANENT COMMITTEE.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Advisory Council.

SEC. 5. DIRECTOR AND STAFF OF THE MUSEUM.

(a) IN GENERAL.—The Council, in consultation with the Board of Regents, shall appoint a Director who shall manage the Museum.

(b) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—

(1) APPOINTMENTS.—The Council may appoint the Director and any additional personnel to serve under the Director, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

(2) PAY.—The Council may fix the pay of the Director at a rate not to exceed the maximum rate of basic pay payable for level III of the Executive Schedule and fix the pay of such additional personnel as the Council considers appropriate.

SEC. 6. OFFICE OF EDUCATION AND LIAISON PROGRAMS.

(a) OFFICE ESTABLISHED.—There is established within the Museum, the Office of Education and Liaison Programs, which shall carry out educational programs with respect to the Museum and other programs in collaboration with other African American museums.

(b) FUNCTIONS.—The Office of Education and Liaison Programs shall—

(1) carry out public educational programs within the Museum relating to African American life, art, history, and culture, including programs utilizing digital, electronic, and interactive technologies, and programs in collaboration with elementary schools, secondary schools, and post-secondary schools; and

(2) collaborate with African American museums by—

(A) establishing educational grant programs that strengthen museum operations, improve care of museum collections, and increase professional development;

(B) providing internship and fellowship programs that allow individuals pursuing careers or carrying out studies in the arts, humanities, and sciences to study African American life, art, history and culture;

(C) providing scholarship programs to assist individuals who demonstrate a commitment to a career in African American museum management in financing their studies; and

(D) collaborating with national and international organizations that address the issue of slavery in the international community.

SEC. 7. LOCATION OF THE NATIONAL MUSEUM OF AFRICAN AMERICAN HISTORY AND CULTURE.

(a) MAIN BUILDING.—The Council, in consultation with the Board of Regents of the Smithsonian Institution is authorized to plan, design, reconstruct, and renovate the Arts and Industries Building of the Smithsonian Institution and the surrounding site to house the Museum. The Council shall consider expanding, and is authorized to expand, the Arts and Industries Building horizontally, vertically, and below ground.

(b) ADDITIONAL FACILITIES.—

(1) IN GENERAL.—If the Council determines that facilities in addition to the Arts and Industries Building of the Smithsonian Institution are needed for the Museum, the Council, in consultation with the General Services Administration and the National Capital Planning Commission is authorized to—

(A) identify a site for the additional facilities;

(B) acquire real property for the additional facilities;

(C) design the additional facilities; and

(D)(i) construct a building for the additional facilities; or

(ii) reconstruct and renovate a building for the additional facilities.

(2) LOCATION.—Any additional facilities for the Museum shall be located, if feasible, on or adjacent to the National Mall.

(3) PURCHASE AUTHORITY.—After consultation with the General Services Administration and the National Capital Planning Commission, the Council may purchase, with the consent of the owner thereof, any real property on or adjacent to the National Mall for such additional facilities.

(4) TRANSFER AUTHORITY.—For the purpose of securing additional facilities, any department or agency of the United States is authorized to transfer to the Council any interest of such department or agency in real property located on or adjacent to the National Mall, and the Council, after consultation with the General Services Administration and the National Capital Planning Commission, may accept any such interest in such property.

(c) COST–SHARING.—The Council shall pay ⅓ of the total cost of carrying out this section from appropriated funds. The Council shall pay the remainder of such costs from non-Federal sources. The Council shall have 5 years following the date of the Council's first meeting to secure the non-Federal funds required under this subsection.

(d) COMMEMORATIVE WORKS ACT.—Any building to house the Museum, including any additional facilities for the Museum, is not a commemorative work for purposes of the Commemorative Works Act (40 U.S.C. 1001 et seq.).

SEC. 8. NATIONAL MALL.

In this Act, the term ''National Mall'' means the National Mall (United States Government Reservations 3, 4, 5, and 6) in the District of Columbia.

SEC. 9. AUTHORITY.

Authority under this Act to enter into contracts or to make payments is effective in any fiscal year only to the extent provided in advance in an appropriations act, except as provided under section 10(b)(3).

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

(a) RENOVATION.—There is authorized to be appropriated such sums as may be necessary to carry out the activities authorized under section 7.

(b) OPERATION AND MAINTENANCE.—

(1) IN GENERAL.—There is authorized to be appropriated to the Council to carry out this Act, other than sections 6 and 7—

(A) $15,000,000 for fiscal year 2002; and

(B) such sums as may be necessary for each succeeding fiscal year.

(2) OFFICE OF EDUCATION AND LIAISON PROGRAMS.—There is authorized to be appropriated to the Council to carry out section 6, $10,000,000 for fiscal year 2002 and for each succeeding fiscal year.

(3) AVAILABILITY.—The amounts appropriated under paragraphs (1) and (2) shall remain available for the operation and maintenance of the Museum until expended.

SEC. 11. AMENDMENT.

Section 5580 of the Revised Statutes (20 U.S.C. 42) is amended in subsection (b)(2) by inserting ''the National Museum of African American History and Culture,'' after ''Performing Arts,''.

Mr. CLELAND. Mr. President, I rise to discuss legislation being introduced in the Senate today to establish the National Museum of African American History and Culture. I am very proud to work with such distinguished members of the Senate as my friend, Senator BROWNBACK, and the other cosponsors of this legislation: Senators SANTORUM, CLINTON, Reid, DODD, and MILLER. Our bill is similar to a measure being introduced in the House by Representatives JOHN LEWIS and J.C. WATTS. I am both proud and pleased to be associated with this project and look forward to seeing this legislation passed by the Senate and the House of Representatives and signed into law by the President in the near future.

This bipartisan legislation would establish a permanent collection of artifacts and historical materials showcasing 400 years of African American history, available for the public to experience and enjoy year-round. The national museum would be financed by a combination of public and private sector contributions. A number of studies document the great need for museum collections addressing African American history and culture. African American visitors to Washington find that their story is not being told in the existing museums and memorials. Yet, there are existing private collections of historical materials addressing African American history that could be contributed to a museum in Washington.

Many notable African Americans have made important contributions in the areas of science, medicine, the arts and humanities, sports, music and dance, among many other fields. It is right to honor this legacy on a national level. We believe that by establishing this museum we will be able to finally honor the legacy of African Americans properly. By placing this museum on or near the National Mall, we will finally place the history of African Americans in a national spotlight, where it belongs.

Legislation authorizing a national museum devoted to African American history and culture has been introduced during every Congress since 1988. The legislation passed the Senate unanimously in one Congress, and passed the House unanimously in another session. However, it has not yet become law. The sponsors of the legislation in the 107th Congress believe that the time has come for enactment of this legislation so that families across America from all races and ethnic groups who visit the nation's capital can more fully understand American history and the significant contributions of African Americans to that history.

I encourage others to join us in this endeavor as we attempt to remember, recognize, and commemorate the major contributions made by African Americans in the areas of science, medicine, the arts and humanities, sports, music, and dance. This museum will not only be a tribute to African American history and culture but it will also be a source of pride for all Americans as physical evidence of the strength, character, and dignity of the human race.

By Mr. CHAFEE (for himself, Mr. REID, Mr. HATCH, Mr. LEAHY, Mr. WARNER, Mr. TORRICELLI, Ms. SNOWE, Mrs. MURRAY, Ms. MIKULSKI, Mr. JOHNSON, Mr. CORZINE, and Mr. KERRY):

S. 830. A bill to amend the Public Health Service Act to authorize the Director of the National Institute of Environmental Health Sciences to make grants for the development and operation of research centers regarding environmental factors that may be related to the etiology of breast cancer; to the Committee on Health, Education, Labor, and Pensions.

Mr. CHAFEE. Mr. President, I am pleased to be joined today by Senators REID, HATCH, LEAHY, WARNER, TORICELLI, SNOWE, MURRAY, MIKULSKI, JOHNSON, CORZINE, and KERRY in introducing the Breast Cancer and Environmental Research Act of 2001. This bill would establish research centers that would be the first in the nation to specifically study the environmental factors that may be related to the development of breast cancer. The lack of agreement within the scientific community and among breast cancer advocates on this question highlights the need for further study.

It is generally believed that the environment plays some role in the development of breast cancer, but the extent of that role is not understood. The Breast Cancer and Environmental Research Act of 2001 will enable us to conduct more conclusive and comprehensive research to determine the impact of the environment on breast cancer. Before we can find the answers, we must determine the right questions we should be asking.

While more research is being conducted into the relationship between breast cancer and the environment, there are still several issues that must be resolved to make this research more effective. They are as follows:

There is no known cause of breast cancer. There is little agreement in the scientific community on how the environment effects breast cancer. While studies have been conducted on the links between environmental factors like pesticides, diet, and electromagnetic fields, no consensus has been

reached. There are other factors that have not yet been studied that could provide valuable information. While there is much speculation, it is clear that the relationship between environmental exposures and breast cancer is poorly understood.

There are challenges in conducting environmental research. Identifying links between environmental factors and breast cancer is difficult. Laboratory experiments and cluster analyses, such as those in Long Island, New York, cannot reveal whether an environmental exposure increases a woman's risk of breast cancer. Epidemiological studies must be designed carefully because environmental exposures are difficult to measure.

Coordination between the National Institutes of Health, NIH, the National Cancer Institute, NCI, and the National Institute of Environmental Health Sciences, NIEHS, needs to occur. NCI and NIEHS are the two institutes in the NIH that fund most of the research related to breast cancer and the environment; however, comprehensive information specific to environmental effects on breast cancer is not currently available.

This legislation would establish eight Centers of Excellence to study these potential links. These ''Breast Cancer Environmental Research Centers'' would provide for multi-disciplinary research among basic, clinical, epidemiological and behavioral scientists interested in establishing outstanding, state-of-the-art research programs addressing potential links between the environment and breast cancer. The NIEHS would award grants based on a competitive peer-review process. This legislation would require each Center to collaborate with community organizations in the area, including those that represent women with breast cancer. The bill would authorize $30 million for the next five years for these grants.

''Genetics loads the gun, the environment pulls the trigger,'' as Ken Olden, the Director of NIEHS, frequently says. Many scientists believe that certain groups of women have genetic variations that may make them more susceptible to adverse environmental exposures. We need to step back and gather evidence before we come to conclusions—that is the purpose of this bill. People are hungry for information, and there is a lot of inconclusive data out there, some of which has no scientific merit whatsoever. We have the opportunity through this legislation to gather legitimate and comprehensive data from premier research institutions across the nation.

According to the American Cancer Society, each year 800 women in Rhode Island are diagnosed with breast cancer, and 200 women in my state will die of this terrible disease this year. We owe it to these women who are diagnosed with this, life-threatening disease to provide them with answers for the first time.

I urge my colleagues to join me in supporting and cosponsoring this important legislation, and 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. 830

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 ''Breast Cancer and Environmental Research Act of 2001''.

SEC. 2. FINDINGS.

The Congress finds as follows:

(1) Breast cancer is the second leading cause of cancer deaths among American women.

(2) More women in the United States are living with breast cancer than any other cancer (excluding skin cancer). Approximately 3,000,000 women in the United States are living with breast cancer, 2,000,000 of which have been diagnosed and an estimated 1,000,000 who do not yet know that they have the disease.

(3) Breast cancer is the most commonly diagnosed cancer among women in the United States and worldwide (excluding skin cancer). In 2001, it is estimated that 233,000 new cases of breast cancer will be diagnosed among women in the United States, 192,000 cases of which will involve invasive breast cancer and 40,800 cases of which will involve ductal carcinoma in situ (DCIS).

(4) Breast cancer is the second leading cause of cancer death for women in the United States. Approximately 40,000 women in the United States die from the disease each year. Breast cancer is the leading cause of cancer death for women in the United States between the ages of 20 and 59, and the leading cause of cancer death for women worldwide.

(5) A woman in the United States has a 1 in 8 chance of developing invasive breast cancer in her lifetime. This risk was 1 in 11 in 1975. In 2001, a new case of breast cancer will be diagnosed every 2 minutes and a woman will die from breast cancer every 13 minutes.

(6) All women are at risk for breast cancer. About 90 percent of women who develop breast cancer do not have a family history of the disease.

(7) The National Action Plan on Breast Cancer, a public private partnership, has recognized the importance of expanding the scope and breadth of biomedical, epidemiological, and behavioral research activities related to the etiology of breast cancer and the role of the environment.

(8) To date, there has been only a limited research investment to expand the scope or coordinate efforts across disciplines or work with the community to study the role of the environment in the development of breast cancer.

(9) In order to take full advantage of the tremendous potential for avenues of prevention, the Federal investment in the role of the environment and the development of breast cancer should be expanded.

(10) In order to understand the effect of chemicals and radiation on the development of cancer, multi-generational, prospective studies are probably required.

SEC. 3. NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES; AWARDS FOR DEVELOPMENT AND OPERATION OF RESEARCH CENTERS REGARDING ENVIRONMENTAL FACTORS RELATED TO BREAST CANCER.

Subpart 12 of part C of title IV of the Public Health Service Act (42 U.S.C. 285L et seq.) is amended by adding at the end the following section:

''SEC. 463B. RESEARCH CENTERS REGARDING ENVIRONMENTAL FACTORS RELATED TO BREAST CANCER.

''(a) IN GENERAL.—The Director of the Institute, based on recommendations from the Breast Cancer and Environmental Research Panel established under subsection (b) (referred to in this section as the 'Panel') shall make grants, after a process of peer review and programmatic review, to public or nonprofit private entities for the development and operation of not more than 8 centers for the purpose of conducting multidisciplinary and multi-institutional research on environmental factors that may be related to the etiology of breast cancer. Each such center shall be known as a Breast Cancer and Environmental Research Center of Excellence.

''(b) BREAST CANCER AND ENVIRONMENTAL RESEARCH PANEL.—

''(1) ESTABLISHMENT.—The Secretary shall establish in the Institute of Environmental Health Sciences a Breast Cancer and Environmental Research Panel.

''(2) COMPOSITION.—The Panel shall be composed of—

''(A) 9 members to be appointed by the Secretary, of which—

''(i) six members shall be appointed from among physicians, and other health professionals, who—

''(I) are not officers or employees of the United States;

''(II) represent multiple disciplines, including clinical, basic, and public health sciences;

''(III) represent different geographical regions of the United States;

''(IV) are from practice settings or academia or other research settings; and

''(V) are experienced in biomedical review; and

''(ii) three members shall be appointed from the general public who are representatives of individuals who have had breast cancer and who represent a constituency; and

''(B) such nonvoting, ex officio members as the Secretary determines to be appropriate.

''(3) CHAIRPERSON.—The members of the Panel appointed under paragraph (2)(A) shall select a chairperson from among such members.

''(4) MEETINGS.—The Panel shall meet at the call of the chairperson or upon the request of the Director, but in no case less often than once each year.

''(5) DUTIES.—The Panel shall—

''(A) oversee the peer review process for the awarding of grants under subsection (a) and conduct the programmatic review under such subsection;

''(B) make recommendations with respect to the funding criteria and mechanisms under which amounts will be allocated under this section; and

''(C) make final programmatic recommendations with respect to grants under this section.

''(c) COLLABORATION WITH COMMUNITY.—Each center under subsection (a) shall establish and maintain ongoing collaborations with community organizations in the geographic area served by the center, including those that represent women with breast cancer.

''(d) COORDINATION OF CENTERS; REPORTS.—The Director of the Institute shall, as appropriate, provide for the coordination of information among centers under subsection (a) and ensure regular communication between such centers, and may require the periodic preparation of reports on the activities of the centers and the submission of the reports to the Director.

''(e) REQUIRED CONSORTIUM.—Each center under subsection (a) shall be formed from a

consortium of cooperating institutions, meeting such requirements as may be prescribed by the Director of the Institute. Each center shall require collaboration among highly accomplished scientists, other health professionals and advocates of diverse backgrounds from various areas of expertise.

''(f) DURATION OF SUPPORT.—Support of a center under subsection (a) may be for a period not exceeding 5 years. Such period may be extended for one or more additional periods not exceeding 5 years if the operations of such center have been reviewed by an appropriate technical and scientific peer review group established by the Director of the Institute and if such group has recommended to the Director that such period should be extended.

''(g) GEOGRAPHIC DISTRIBUTION OF CENTERS.—The Director of the Institute shall, to the extent practicable, provide for an equitable geographical distribution of centers under this section.

''(h) INNOVATIVE APPROACHES.—Each center under subsection (a) shall use innovative approaches to study unexplored or under-explored areas of the environment and breast cancer.

''(i) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there is authorized to be appropriated $30,000,000 for each of the fiscal years 2002 through 2007. Such authorization is in addition to any other authorization of appropriations that is available for such purpose.''.

Mr. REID. Mr. President, I am pleased to join Senator CHAFEE in introducing the Breast Cancer and Environmental Research Act. Senator CHAFEE and I serve together on the Environment and Public Works Committee where we have had the opportunity to take a closer look at different environment-related health concerns. Most recently, the Committee traveled to Nevada to investigate what environmental factors may have contributed to a childhood leukemia cluster in the town of Fallon.

The Fallon hearing reminded me how little we know about what causes cancer and what, if any, connection exists between the environment and cancer. Three decades have passed since President Nixon declared the ''War on Cancer'' and scientists are still struggling with these and other crucial unanswered questions about cancer. This is particularly true in the case of breast cancer. We still don't know what causes breast cancer. We don't know if the environment plays a role in the development of breast cancer, and if it does, we don't know how significant that role is. In our search for answers about breast cancer, we need to make sure we are asking the right questions.

To date, there has been only a limited research investment to study the role of the environment in the development of breast cancer. More research needs to be done to determine the impact of the environment on breast cancer. The Breast Cancer and Environmental Research Act would give scientists the tools they need to pursue a better understanding about what links between the environment and breast cancer may exist. Specifically, our bill would authorize $30 million dollars to the National Institute of Environmental Health Sciences to establish eight Centers of Excellence that would focus on breast cancer and the environment.

In the year 2000 alone, 183,000 women will learn that they have breast cancer. In this same year, 40,000 women will die from breast cancer. In Nevada—a state with a population under two million people—1,200 women will be diagnosed with breast cancer in this year and 200 women will lose their lives to this deadly disease. These women are our mothers, our wives, our daughters, and our friends.

If we miss promising research opportunities because of Congress' failure to act, millions of women and their families will face critical unanswered questions about breast cancer. I urge my colleagues to join in our quest for answers about this deadly disease and to support the Breast Cancer and Environmental Research Act.

By Mr. SHELBY:

S. 831. A bill to amend the Internal Revenue Code of 1986 to provide for a 100 percent deduction for business meals; to the Committee on Finance.

Mr. SHELBY. Mr. President, I rise today to introduce legislation that would increase the deductibility of business meals to 100 percent. By only allowing a 50 percent deduction, the current law unfairly hurts small business owners who many times conduct business face to face over a meal. For these people, the costs of business meals truly is a legitimate business expense. However, unlike other business expenses, they are not able to fully deduct the cost of business meals.

America's small businesses are the backbone of our economy. Allowing full deductibility of business related meals will lighten the heavy financial burden small business owners face daily just to be able to keep their doors open. Furthermore, increased deductibility will inject additional capital into our country's businesses, allowing them to spend more money on innovation and growth. Such activities will lead to more jobs and a stronger economy.

Full deductibility of business meals will also create an increase in restaurant patronage. As a result, my bill will benefit waiters, waitresses, cooks and other restaurant workers by increasing their job security and wages. Increased wages will make it easier for restaurant employees to meet the rising cost of living. With the cost of gasoline, electricity, and health insurance rising to unprecedented levels, higher wages can not come soon enough.

Just as importantly, increased wages will make it easier for more Americans to save for their retirement. Rather than living paycheck to paycheck, increased wages in the restaurant industry will make it possible for more people to begin to save for the future. Given the bleak predictions for the continued solvency of the Social Security trust fund, Congress must do all that it can to encourage saving.

Similar bills to increase the deductibility of business meals have been introduced in previous years. Now is the time to move beyond mere discussion and to move towards meaningful action. This legislation will have a positive effect on our economy. It fosters small business growth and will help increase wages for many Americans throughout the country. I ask that my colleagues join me in support of this bill.

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. 831

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

SECTION 1. INCREASED DEDUCTION FOR BUSINESS MEAL EXPENSES.

(a) IN GENERAL.—Section 274(n)(1) (relating to only 50 percent of meal and entertainment expenses allowed as deduction) is amended by striking ''50 percent'' in the text and inserting ''the allowable percentage''.

(b) ALLOWABLE PERCENTAGE.—Section 274(n) is amended by—

(1) striking paragraph (3);

(2) redesignating paragraph (2) as paragraph (3); and

(3) inserting after paragraph (1) the following new paragraph:

''(2) ALLOWABLE PERCENTAGE.—For purposes of paragraph (1), the allowable percentage is—

''(A) in the case of amounts for items described in paragraph (1)(B), 50 percent, and

''(B) in the case of expenses for food or beverages, 100 percent.''.

(c) CONFORMING AMENDMENT.—The heading for subsection (n) of section 274 is amended by striking ''50 PERCENT'' and inserting ''LIMITED PERCENTAGES''.

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

By Mr. CAMPBELL (for himself and Mr. INOUYE):

S. 832. A bill to amend the Indian Gaming Regulatory Act, and for other purposes; to the Committee on Indian Affairs.

Mr. CAMPBELL. Mr. President, today I am pleased to introduce the Indian Gaming Regulatory Improvement Act of 2001 to make what I believe are necessary changes to the Indian Gaming Regulatory Act of 1988. I am very pleased to be joined by Senator INOUYE in this regard.

The IGRA was signed into law in 1988 with two purposes in mind: to provide for and continue the economic opportunities tribal gaming presents to Indian tribes; and to provide a regulatory framework which ensures the integrity of tribal gaming—integrity that benefits tribes as well as customers of tribal gaming operations.

In 1988, tribal gaming was a relatively new activity and in 13 years tribal gaming annual gross revenues have grown from $500 million to $9 billion. The IGRA requires these revenues to be spent by tribal governments for specific purposes including physical infrastructure, general welfare and the

betterment of Indian and surrounding non-Indian communities.

Out of 561 federally recognized tribes, there are 212 tribes that conduct some form of gaming. The old saying that the best social welfare policy is a job is true when it comes to tribal gaming. The economic benefits for these tribes, their members and surrounding communities cannot be ignored. For these communities collectively, unemployment has dropped significantly and workers, both Non-Indian and Indian alike, employed by these operations enjoy benefits such as steady income and good paying jobs, health insurance and retirement benefits. Additionally, tribes who operate gaming have been able to complement scarce federal dollars to provide for housing, health care and education for their members and to generate hundreds of thousands of jobs for Indians and non-Indians nationwide.

The legislation I am introducing today closely resembles a measure I introduced in the last Congress and is not intended to be a comprehensive attempt to address all gaming matters that have arisen in the past 13 years. Rather, this bill takes aim at 6 very specific items:

1. With regard to gaming fees assessed against tribal operations, this bill will require the Federal National Indian Gaming Commission to levy fees that are reasonably related to the duties of and services provided by the Commission to tribes, and in certain instances to reduce the level of fees payable by those operations;

2. The bill establishes a requirement that fees paid by tribes can only be utilized for the specific activities of the Commission mandated by the IGRA;

3. It provides statutory authority for the Commission to establish, through a negotiated rule-making process, minimum standards for the conduct of tribal gaming, while still recognizing the primary responsibility of tribes to regulate gaming on tribal lands;

4. The bill authorizes technical assistance to tribes for a number of purposes including strengthening tribal regulatory regimes; assessing the feasibility of non-gaming economic development activities on Indian lands; providing treatment services for problem gamblers; and for other purposes not inconsistent with the IGRA;

5. It clarifies the current conflict between the IGRA and other Federal law with regard to the classification of certain games conducted by tribes; and

6. Last, to bring the Commission in line with all other Federal agencies it specifically subjects the Commission to the reporting and strategic and long-term planning requirements similar to requirements contained in the Government Performance and Results Act of 1993 (''GPRA'').

While there are other matters that Indian tribes and others wish to address that are not included in this bill, I am hopeful that my colleagues will find this legislation to be reasonable and targeted to specific issues that demand our attention in this session of Congress.

I ask 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. 832

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 Gaming Regulatory Improvement Act of 2001''.

SEC. 2. AMENDMENTS TO THE INDIAN GAMING REGULATORY ACT.

The Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.) is amended—

(1) in section 4(7) (25 U.S.C. 2703(7)), by adding at the end the following:

''(G) Notwithstanding any other provision of law, sections 1 through 7 of the Act of January 2, 1951 (commonly known as the Gambling Devices Transportation Act (15 U.S.C. 1171-1177)) shall not apply to any gaming described in subparagraph (A)(i) (class II gaming) where electronic, computer, or other technologic aids are used in connection with any such gaming.'';

(2) in section 7 (25 U.S.C. 2706)—

(A) in subsection (c)—

(i) in paragraph (3), by striking ''and'' at the end thereof;

(ii) by redesignating paragraph (4) as paragraph (5); and

(iii) by inserting after paragraph (3), the following:

''(4) the strategic plan for Commission activities.''; and

(B) by adding at the end the following:

''(d) STRATEGIC PLAN.—

''(1) IN GENERAL.—The strategic plan required under subsection (c)(4) shall include—

''(A) a comprehensive mission statement covering the major functions and operations of the Commission;

''(B) the general goals and objectives, including outcome-related goals and objectives, for the major functions and operations of the Commission;

''(C) a description of how the general goals and objectives are to be achieved, including a description of the operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives;

''(D) a performance plan that shall be related to the general goals and objectives of the strategic plan;

''(E) an identification of the key factors external to the Commission and beyond its control that could significantly affect the achievement of the general goals and objectives; and

''(F) a description of the program evaluations used in establishing or revising the general goals and objectives, with a schedule for future program evaluations.

''(2) TERM OF PLAN.—The strategic plan shall cover a period of not less than 5 fiscal years beginning with the fiscal year in which it the plan is submitted. The strategic plan shall be updated and revised at least every 4 years.

''(3) PERFORMANCE PLAN.—The performance plan under paragraph (1)(D) shall be consistent with the strategic plan. In developing the performance plan, the Commission should be consistent with the requirements of section 1115 of title 31, United States Code (the Government Performance and Results Act).

''(4) CONSULTATION.—In developing the strategic plan, the Commission shall consult with the Congress and tribal governments, and shall solicit and consider the views and suggestions of those entities that may be potentially affected by or interested in such a plan.'';

(3) in section 11(b)(2)(F)(i) (25 U.S.C. 2710(b)(2)(F)(i)), by striking ''primary management'' and all that follows through ''such officials'' and inserting ''tribal gaming commissioners, key tribal gaming commission employees, and primary management officials and key employees of the gaming enterprise and that oversight of primary management officials and key employees'';

(4) in section 18(a) (25 U.S.C. 2717(a))—

(A) in paragraph (1), by striking ''by each'' and all that follows through the period and inserting ''pursuant to section 22(a)'';

(B) by striking paragraphs (2) and (3); and

(C) by redesignating paragraphs (4) through (6) as paragraphs (2) through (4), respectively;

(5) by redesignating section 22 (25 U.S.C. 2721) as section 25; and

(6) by inserting after section 21 (25 U.S.C. 2720) the following:

''SEC. 22. FEE ASSESSMENTS.

''(a) ESTABLISHMENT OF SCHEDULE OF FEES.—

''(1) IN GENERAL.—Except as provided in this section, the Commission shall establish a schedule of fees to be paid annually to the Commission by each gaming operation that conducts a class II or class III gaming activity that is regulated by this Act.

''(2) RATES.—The rate of fees under the schedule established under paragraph (1) that are imposed on the gross revenues from each activity described in such paragraph shall be as follows:

''(A) A fee of not more than 2.5 percent shall be imposed on the first $1,500,000 of such gross revenues.

''(B) A fee of not more than 5 percent shall be imposed on amounts in excess of the first $1,500,000 of such gross revenues.

''(3) TOTAL AMOUNT.—The total amount of all fees imposed during any fiscal year under the schedule established under paragraph (1) shall not exceed $8,000,000.

''(b) COMMISSION AUTHORIZATION.—

''(1) IN GENERAL.—By a vote of not less than 2 members of the Commission the Commission shall adopt the schedule of fees provided for under this section. Such fees shall be payable to the Commission on a quarterly basis.

''(2) FEES ASSESSED FOR SERVICES.—The aggregate amount of fees assessed under this section shall be reasonably related to the costs of services provided by the Commission to Indian tribes under this Act (including the cost of issuing regulations necessary to carry out this Act). In assessing and collecting fees under this section, the Commission shall take into account the duties of, and services provided by, the Commission under this Act.

''(3) RULEMAKING.—The Commission shall promulgate regulations as may be necessary to carry out this subsection.

''(4) CONSULTATION.—In establishing a schedule of fees under this section, the Commission shall consult with Indian tribes.

''(c) FEE REDUCTION PROGRAM.—

''(1) IN GENERAL.—In making a determination of the amount of fees to be assessed for any class II or class III gaming activity under the schedule of fees under this section, the Commission may provide for a reduction in the amount of fees that otherwise would be collected on the basis of the following factors:

''(A) The extent of the regulation of the gaming activity involved by a State or Indian tribe (or both).

''(B) The extent of self-regulating activities, as defined by this Act, conducted by the Indian tribe.

''(C) Other factors determined by the Commission, including

''(i) the unique nature of tribal gaming as compared to commercial gaming, other governmental gaming, and charitable gaming;

''(ii) the broad variations in the nature, scale, and size of tribal gaming activity;

''(iii) the inherent sovereign rights of Indian tribes with respect to regulating the affairs of Indian tribes;

''(iv) the findings and purposes under sections 2 and 3;

''(v) the amount of interest or investment income derived from the Indian gaming regulation accounts; and

''(vi) any other matter that is consistent with the purposes under section 3.

''(2) RULEMAKING.—The Commission shall promulgate regulations as may be necessary to carry out this subsection.

''(3) CONSULTATION.—In establishing any fee reduction program under this subsection, the Commission shall consult with Indian tribes.

''(d) INDIAN GAMING REGULATION ACCOUNTS.—

''(1) IN GENERAL.—All fees and civil forfeitures collected by the Commission pursuant to this Act shall be maintained in separate, segregated accounts, and shall only be expended for purposes set forth in this Act.

''(2) INVESTMENTS.—It shall be the duty of the Commission to invest such portion of the accounts maintained under paragraph (1) as are not, in the judgment of the Commission, required to meet immediate expenses. The Commission shall invest the amounts deposited under this Act only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

''(3) SALE OF OBLIGATIONS.—Any obligation acquired by the accounts maintained under paragraph (1), except special obligations issued exclusively to such accounts, may be sold by the Commission at the market price, and such special obligations may be redeemed at par plus accrued interest.

''(4) CREDITS TO THE INDIAN GAMING REGULATORY ACCOUNTS.—The interest on, and proceeds from, the sale or redemption of any obligations held in the accounts maintained under paragraph (1) shall be credited to and form a part of such accounts.

''SEC. 23. MINIMUM STANDARDS.

''(a) CLASS I GAMING.—Notwithstanding any other provision of law, class I gaming on Indian lands shall be within the exclusive jurisdiction of the Indian tribes and shall not be subject to the provisions of this Act.

''(b) CLASS II GAMING.—Effective on the date of enactment of this section, an Indian tribe shall retain primary jurisdiction to regulate class II gaming activities which, at a minimum, shall be conducted in conformity with section 11 and regulations promulgated pursuant to subsection (d).

''(c) CLASS III GAMING.—Effective on the date of enactment of this section, an Indian tribe shall retain primary jurisdiction to regulate class III gaming activities authorized under this Act. Any class III gaming operated by an Indian tribe pursuant to this Act shall be conducted in conformity with section 11 and regulations promulgated pursuant to subsection (d).

''(d) RULEMAKING.—

''(1) IN GENERAL.—

''(A) PROMULGATION.—Not later than 180 days after the date of enactment of the Indian Gaming Regulatory Improvement Act of 2001, the Commission shall develop procedures under subchapter III of chapter 5 of title 5, United States Code, to negotiate and promulgate regulations relating to—

''(i) the monitoring and regulation of tribal gaming;

''(ii) the establishment and regulation of internal control systems; and

''(iii) the conduct of background investigation.

''(B) PUBLICATION OF PROPOSED REGULATIONS.—Not later than 1 year after the date of enactment of the Indian Gaming Regulatory Improvement Act of 2001, the Commission shall publish in the Federal Register proposed regulations developed by a negotiated rulemaking committee pursuant to this section.

''(2) COMMITTEE.—A negotiated rulemaking committee established pursuant to section 565 of title 5, United States Code, to carry out this subsection shall be composed only of Federal and Indian tribal government representatives, a majority of whom shall be nominated by and be representative of Indian tribes that conduct gaming pursuant to this Act.

''(e) EXISTING REGULATIONS.—Regulations that establish minimum internal control standards that are promulgated by the Commission and in effect on the date of enactment of this section shall, effective on the date that is 1 year after such date of enactment, have no force or effect.

''SEC. 24. USE OF NATIONAL INDIAN GAMING COMMISSION CIVIL FINES.

''(a) IN GENERAL.—Amounts collected by the Commission pursuant to section 14 shall be deposited in a separate Indian gaming regulation account as established under section 22(d). Funds in such accounts shall be available to the Commission, as provided for in advance in appropriations Acts, for carrying out this Act.

''(b) USE OF FUNDS.—The Commission may provide grants and technical assistance to Indian tribes from any funds secured by the Commission pursuant to section 14, which funds shall be made available only for the following purposes:

''(1) To provide technical training and other assistance to Indian tribes to strengthen the regulatory integrity of Indian gaming.

''(2) To provide assistance to Indian tribes to assess the feasibility of non-gaming economic development activities on Indian lands.

''(3) To provide assistance to Indian tribes to devise and implement programs and treatment services for individuals diagnosed as problem gamblers.

''(4) To provide other forms of assistance to Indian tribes not inconsistent with the Indian Gaming Regulatory Act.

''(c) SOURCE OF FUNDS.—Amounts used to carry out subsection (b) may only be drawn from funds—

''(1) collected by the Commission pursuant to section 14; and

''(2) the use of which has been authorized in advance by an appropriations Act.

''(d) CONSULTATION.—In carrying out this section, the Commission shall consult with Indian tribes and any other appropriate tribal or Federal officials.

''(e) REGULATIONS.—The Commission may promulgate such regulations as may be necessary to carry out this section.''.

By Ms. SNOWE (for herself, Mr. DODD, Mr. JEFFORDS, Mr. ROCKEFELLER, Mr. BINGAMAN, and Ms. COLLINS):

S. 833. A bill to amend the Internal Revenue Code of 1986 to expand the child tax credit; to the Committee on Finance.

Ms. SNOWE. Mr. President, I rise today to introduce the Child Tax Credit Expansion and Equity Act of 2001, with my good friend and colleague, the Senator from Connecticut, Mr. DODD, and our other cosponsors Mr. JEFFORDS, Mr. ROCKEFELLER, Mr. BINGAMAN, and Ms. COLLINS. This legislation would take an important first step towards helping those children who are most in need, by expanding the current Child Tax Credit and making its benefits more equitable.

That I am here today introducing this bill is due in large part to the efforts of two other people. Thanks to the President's initiative to double the current child tax credit from $500 to $1,000. This effort has opened the door to addressing the cost borne by the parents in our society as they raise their children.

Of course, there is a larger cost than just the monetary expense incurred in taking care of and raising children. However, what better way can we acknowledge this cost, and lessen parents' burden than to increase the child tax credit. My good friend, and colleague, Representative CONNIE MORELLA, from Maryland, recognized this and began an effort in the House of Representatives to address the current child tax credit inequity. I thank her for all of her good work and am happy to be able to work with her from this side of the Capitol to see that this issue is properly addressed.

The President's proposal, while an important first step, doesn't do enough to help those who need it the most—our low and middle income families. But make no mistake it is thanks to the President's opening the door to the Child Tax Credit that we are here today to take that effort one step further and make this credit partially refundable.

There are over 16 million children in poverty, 1 in every 4, whose families have no federal tax liability and therefore will receive no benefit from an increase in the child tax credit because it's not refundable. More than two-thirds of these children are in working families.

There are an additional 7 million children who live in families that will not benefit from an increase in the child tax credit unless it's refundable due to their limited tax liability because they do not pay enough in federal taxes to get a $500 credit. Yet, these families pay taxes. They pay federal and state taxes, payroll taxes, gas taxes, phone taxes, sales taxes, property taxes and other taxes. Overwhelmingly, they represent working families. They have no federal tax liability and therefore without this change to the child tax credit they will receive no benefit from an increased child tax credit.

There may be some who will say that unless you can do it all don't do any of it. There are some who will say that only a fully refundable credit is acceptable. However, I respectfully disagree. I have served in Congress for over two decades and I have learned that you should never pass up the opportunity to make a difference. I have long made

improving the lives of our children a priority.

The Child Tax Credit Expansion and Equity Act, would expand the child tax credit from $500 to $1,000 as proposed by the President, but it would make the first $500 refundable. Families which would otherwise receive nothing, would have a $500 refundable credit to help mitigate the costs of raising their children today.

This bill just makes good sense. It makes sense that every family with children should be eligible for the child tax credit. It makes good sense to expand the number of families that qualify for the credit instead of just giving more money to those families that already benefit. It makes good sense and it does so in a simple and fair way. It does not create another complicated tax form. The amount of the credit is based on the number of dependents, period. It fits into the current tax code and doesn't require a complex calculation or a degree in accounting. This is good public policy.

If timing is everything, then this is the time to do this for some of our most needy families. America today is prosperous, healthy and strong. And yet, too many of our children, our most vulnerable of citizens are in need of assistance. When the federal government is expecting the largest surplus ever, shouldn't we make an investment in our future and help those who need it most.

I urge my colleagues to consider this legislation and work with me and the cosponsors to ensure that the child tax credit is assisting the most children possible.

Mr. DODD. Mr. President, I am pleased to join with my colleague from Maine, Senator SNOWE, in introducing legislation to make the child tax credit refundable.

Throughout America, families with children struggle with the extra cost associated with raising children today.

Early in the President's campaign, he proposed to increase the current child tax credit from $500 to $1,000. While a reduction in tax rates is helpful to families, an increase in the per child tax credit is especially helpful because it recognizes that there are costs associated with raising a family.

During the President's inaugural remarks, he said, ''America at its best, is compassionate. In the quiet of American consciences, we know that deep, persistent poverty is unworthy of our nation's promise.''

With much applause, the President continued, ''And whatever our views of its cause, we can agree that children at risk are not at fault.'' ''Americans in need are not strangers, they are citizens, not problems, but priorities.

While I very much support the President's proposal to increase the child tax credit from $500 to $1,000, it makes sense to me that all families, not just families with tax liability, should receive such assistance.

Because the President's tax credit is not refundable, over 16 million children are left behind. They live in families with no federal tax liability and therefore will receive no benefit from an increase in the child tax credit because it's not refundable—it's not available to families without federal tax liability.

An additional 7 million children live in families who will not benefit from an increase in the child tax credit unless it's refundable because their current credit would not increase due to limited tax liability.

Yet, these families pay taxes. They pay federal and state taxes, payroll taxes, gas taxes, phone taxes, and other taxes. Overwhelmingly, they represent working families. Yet, at $12,000 or $20,000, they have no federal tax liability and therefore unless the child tax credit is made refundable, they will receive no benefit from an increased child tax credit.

The legislation we are introducing today will increase the current child tax credit from $500 to $1,000 as the President proposed, but would also provide a refundable credit of $500 per child for those families without federal income tax liability. This reform will lift one million families out of poverty.

Often, people talk of the complexity of the tax code. The beauty of making the child tax credit refundable is its simplicity. All families, regardless of income, would receive the credit—no marriage penalty, no cliff, no complicated phase-outs.

Back in 1991, the Bipartisan National Children's Commission, chaired by my colleague from West Virginia, Senator Rockefeller, recommended enacting a refundable child tax credit. After a decade, the time is right. We have the resources. And, I hope and believe, we have the will.

Making the child tax credit refundable is simply one of the most effective antipoverty strategies in years.

I urge my colleagues to join with us today in supporting this legislation.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 82—TO AUTHORIZE THE PRODUCTION OF RECORDS BY THE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS OF THE COMMITTEE ON GOVERNMENTAL AFFAIRS AND REPRESENTATION BY THE SENATE LEGAL COUNSEL

Mr. LOTT (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 82

Whereas, during the 105th Congress, the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs conducted an oversight review of the Treasury Departments Office of Inspector General;

Whereas, the Subcommittee has received requests from the parties to two appeals, Richard B. Calahan v. Department of Treasury, No. DC—0752–01–0245–I–1, and Lori Y. Vassar v. Department of Treasury, No. DC–0752–01–0275–I–1, before the Merit Systems protection board, for access to records, including transcripts of depostions, from its oversight review;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent committees, subcommittees, Members, officer, and employees of the Senate with respect to any subpoena, order, or request for testimony or documentary production relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it *Resolved,* That the Chairman and Ranking Minority member of the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, acting jointly, are authorized to provide copies of records from its Treasury Department Office of Inspector General oversight review to the parties in Richard B. Calahan v. Department of Treasury and Lori Y. Vassar v. Department of Treasury, except concerning matters for which a privilege should be asserted.

SEC. 2. The Senate legal Counsel is authorized to represent the Permanent Subcommittee on Investigations, and any other committee, subcommittee, Member, officer, or employees of the Senate in connection with testimony or documentary production in these matters.

Mr. LOTT. Mr. President, the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs has received requests from the parties in two appeals before the Merit Systems Protection Board for permission to use in those proceedings documents obtained from the Permanent Subcommittee on Investigations. These cases grow in part out of the FBI files matter that several congressional committees, including the Senate Investigations Subcommittee, inquired into several years ago. The appeals are from adverse personnel actions taken by the Treasury Inspector General after an investigation by the President's Council on Integrity and Efficiency that followed a Subcommittee referral.

The documents that are the subject of this authorizing resolution were used in the PCIE investigation that underlay these personnel actions. The resolution would authorize the Subcommittee, through the Chairman and Ranking Member, acting jointly, to permit use of Subcommittee records in these proceedings. In order to protect the privileges of the Subcommittee, and the other Senate entities that addressed these matters, the resolution would also authorize representation by the Senate Legal Counsel in connection with any discovery sought in these cases.