or scholarly compositions created by the donor.

S. 723

At the request of Mr. SPECTER, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 723, a bill to amend the Public Health Service Act to provide for human embryonic stem cell generation and research.

S. 769

At the request of Mr. BROWNBACK, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 769, a bill to establish a carbon sequestration program and an implementing panel within the Department of Commerce to enhance international conservation, to promote the role of carbon sequestration as a means of slowing the buildup of greenhouse gases in the atmosphere, and to reward and encourage voluntary, pro-active environmental efforts on the issue of global climate change.

S. 794

At the request of Mr. THOMPSON, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 794, a bill to amend the Internal Revenue Code of 1986 to facilitate electric cooperative participation in a competitive electric power industry.

S. 829

At the request of Mr. BROWNBACK, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 829, a bill to establish the National Museum of African American History and Culture within the Smithsonian Institution.

S. 839

At the request of Mrs. HUTCHISON, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 839, a bill to amend title XVIII of the Social Security Act to increase the amount of payment for inpatient hospital services under the medicare program and to freeze the reduction in payments to hospitals for indirect costs of medical education.

S. 845

At the request of Mr. CRAPO, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 845, a bill to amend the Internal Revenue Code of 1986 to include agricultural and animal waste sources as a renewable energy resource.

S. 866

At the request of Mr. REID, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 866, a bill to amend the Public Health Service Act to provide for a national media campaign to reduce and prevent underage drinking in the United States.

S. RES. 16

At the request of Mr. THURMOND, the names of the Senator from Colorado (Mr. ALLARD) and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. Res. 16, a resolution designating August 16, 2001, as ''National Airborne Day.''

S. RES. 88

At the request of Mr. KENNEDY, the names of the Senator from West Virginia (Mr. ROCKEFELLER) and the Senator from Maine (Ms. COLLINS) were added as cosponsors of S. Res. 88, a resolution expressing the sense of the Senate on the importance of membership of the United States on the United Nations Human Rights Commission.

S. CON. RES. 15

At the request of Mr. BROWNBACK, the name of the Senator from Nevada (Mr. ENSIGN) was added as a cosponsor of S. Con. Res. 15, a concurrent resolution to designate a National Day of Reconciliation.

S. CON. RES. 37

At the request of Mr. LIEBERMAN, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. Con. Res. 37, a concurrent resolution expressing the sense of Congress on the importance of promoting electronic commerce, and for other purposes.

AMENDMENT NO. 378

At the request of Mrs. MURRAY, the names of the Senator from Michigan (Mr. LEVIN), the Senator from Maryland (Ms. MIKULSKI), and the Senator from New York (Mr. SCHUMER) were added as cosponsors of amendment No. 378.

AMENDMENT NO. 564

At the request of Mr. BYRD, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of amendment No. 564.

AMENDMENT NO. 640

At the request of Mr. DORGAN, the name of the Senator from West Virginia (Mr. ROCKEFELLER) was added as a cosponsor of amendment No. 640.

AMENDMENT NO. 648

At the request of Mr. HELMS, the name of the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of amendment No. 648.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. INHOFE:

S. 878. A bill to amend the Internal Revenue Code of 1986 to prorate the heavy vehicle use tax between the first and subsequent purchasers of the same vehicle in one taxable period; to the Committee on Finance.

Mr. INHOFE. Mr. President, I rise today to talk about a bill that will help many truck-drivers across the country. As we all know, the trucking industry has incurred an incredible cost increase in recent years due to higher fuel prices and other taxes. One of my constituents, Phillip Parks, has felt this tremendous financial burden and, as a result, sold his truck and got out of the business altogether.

The heavy vehicle use tax is one tax many truck drivers, like Mr. Parks, are required to pay each year. Under the current IRS code, when a vehicle over 75,000 pounds is purchased and driven over 5,000 miles, the owner must pay a $550 heavy-use tax. However, if the owner sells the vehicle in the same year, he or she is unable to receive a refund on this tax, while the person buying the vehicle does not have to pay the tax during that year since it has already been paid. This is what happened to Mr. Parks.

My bill will not only make this tax more fair, but will provide some much-needed relief for people who wish to sell their trucks within the same year they bought them. The Heavy Vehicle Use Tax Equity Act will require the purchaser to pay a prorated tax on the vehicle, while the person selling it will receive a refund for the portion of the tax relative to the time in which they owned it.

I am pleased to introduce this bill that will help make our complex tax code more equitable while putting money back into the hands of hard-working Americans, like Phillip Parks of Stillwell, OK.

By Mr. SANTORUM:

S. 879. A bill to amend the Internal Revenue Code of 1986 to expand the tip tax credit to employers of cosmetologists and to promote tax compliance in the cosmetology sector; to the Committee on Finance.

Mr. SANTORUM. 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. 879

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 ''Cosmetology Tax Fairness and Compliance Act of 2001''.

SEC. 2. EXPANSION OF CREDIT FOR PORTION OF SOCIAL SECURITY TAXES PAID WITH RESPECT TO EMPLOYEE TIPS.

(a) EXPANSION OF CREDIT TO OTHER LINES OF BUSINESS.—Paragraph (2) of section 45B(b) of the Internal Revenue Code of 1986 is amended to read as follows:

''(2) APPLICATION ONLY TO CERTAIN LINES OF BUSINESS.—In applying paragraph (1), there shall be taken into account only tips received from customers or clients in connection with—

''(A) the providing, delivering, or serving of food or beverages for consumption if the tipping of employees delivering or serving food or beverages by customers is customary, or

''(B) the providing of any cosmetology service for customers or clients at a facility licensed to provide such service if the tipping of employees providing such service is customary.''

(b) DEFINITION OF COSMETOLOGY SERVICE.—Section 45B of such Code is amended by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and by inserting after subsection (b) the following new subsection:

''(c) COSMETOLOGY SERVICE.—For purposes of this section, the term 'cosmetology service' means—

''(1) hairdressing,

''(2) haircutting,

''(3) manicures and pedicures,

''(4) body waxing, facials, mud packs, wraps, and other similar skin treatments, and

''(5) any other beauty related service provided at a facility at which a majority of the services provided (as determined on the basis of gross revenue) are described in paragraphs (1) through (4).''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to tips received for services performed after December 31, 2001.

SEC. 3. INFORMATION REPORTING AND TAXPAYER EDUCATION FOR PROVIDERS OF COSMETOLOGY SERVICES.

(a) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 is amended by inserting after section 6050S the following new section:

''SEC. 6050T. RETURNS RELATING TO COSMETOLOGY SERVICES AND INFORMATION TO BE PROVIDED TO COSMETOLOGISTS.

''(a) IN GENERAL.—Every person (referred to in this section as a 'reporting person') who—

''(1) employs 1 or more cosmetologists to provide any cosmetology service,

''(2) rents a chair to 1 or more cosmetologists to provide any cosmetology service on at least 5 calendar days during a calendar year, or

''(3) in connection with its trade or business or rental activity, otherwise receives compensation from, or pays compensation to, 1 or more cosmetologists for the right to provide cosmetology services to, or for cosmetology services provided to, third-party patrons,

shall comply with the return requirements of subsection (b) and the taxpayer education requirements of subsection (c).

''(b) RETURN REQUIREMENTS.—The return requirements of this subsection are met by a reporting person if the requirements of each of the following paragraphs applicable to such person are met.

''(1) EMPLOYEES.—In the case of a reporting person who employs 1 or more cosmetologists to provide cosmetology services, the requirements of this paragraph are met if such person meets the requirements of sections 6051 (relating to receipts for employees) and 6053(b) (relating to tip reporting) with respect to each such employee.

''(2) INDEPENDENT CONTRACTORS.—In the case of a reporting person who pays compensation to 1 or more cosmetologists (other than as employees) for cosmetology services provided to third-party patrons, the requirements of this paragraph are met if such person meets the applicable requirements of section 6041 (relating to returns filed by persons making payments of $600 or more in the course of a trade or business), section 6041A (relating to returns to be filed by service-recipients who pay more than $600 in a calendar year for services from a service provider), and each other provision of this subpart that may be applicable to such compensation.

''(3) CHAIR RENTERS.—

''(A) IN GENERAL.—In the case of a reporting person who receives rent or other fees or compensation from 1 or more cosmetologists for use of a chair or for rights to provide any cosmetology service at a salon or other similar facility for more than 5 days in a calendar year, the requirements of this paragraph are met if such person—

''(i) makes a return, according to the forms or regulations prescribed by the Secretary, setting forth the name, address, and TIN of each such cosmetologist and the amount received from each such cosmetologist, and

''(ii) furnishes to each cosmetologist whose name is required to be set forth on such return a written statement showing—

''(I) the name, address, and phone number of the information contact of the reporting person,

''(II) the amount received from such cosmetologist, and

''(III) a statement informing such cosmetologist that (as required by this section), the reporting person has advised the Internal Revenue Service that the cosmetologist provided cosmetology services during the calendar year to which the statement relates.

''(B) METHOD AND TIME FOR PROVIDING STATEMENT.—The written statement required by clause (ii) of subparagraph (A) shall be furnished (either in person or by first-class mail which includes adequate notice that the statement or information is enclosed) to the person on or before January 31 of the year following the calendar year for which the return under clause (i) of subparagraph (A) is to be made.

''(c) TAXPAYER EDUCATION REQUIREMENTS.—In the case of a reporting person who is required to provide a statement pursuant to subsection (b), the requirements of this subsection are met if such person provides to each such cosmetologist annually a publication, as designated by the Secretary, describing—

''(1) in the case of an employee, the tax and tip reporting obligations of employees, and

''(2) in the case of a cosmetologist who is not an employee of the reporting person, the tax obligations of independent contractors or proprietorships.

The publications shall be furnished either in person or by first-class mail which includes adequate notice that the publication is enclosed.

''(d) DEFINITIONS.—For purposes of this section—

''(1) COSMETOLOGIST.—

''(A) IN GENERAL.—The term 'cosmetologist' means an individual who provides any cosmetology service.

''(B) ANTI-AVOIDANCE RULE.—The Secretary may by regulation or ruling expand the term 'cosmetologist' to include any entity or arrangement if the Secretary determines that entities are being formed to circumvent the reporting requirements of this section.

''(2) COSMETOLOGY SERVICE.—The term 'cosmetology service' has the meaning given to such term by section 45B(c).

''(3) CHAIR.—The term 'chair' includes a chair, booth, or other furniture or equipment from which an individual provides a cosmetology service (determined without regard to whether the cosmetologist is entitled to use a specific chair, booth, or other similar furniture or equipment or has an exclusive right to use any such chair, booth, or other similar furniture or equipment).

''(e) EXCEPTIONS FOR CERTAIN EMPLOYEES.—Subsection (c) shall not apply to a reporting person with respect to an employee who is employed in a capacity for which tipping (or sharing tips) is not customary.''

(b) CONFORMING AMENDMENTS.—

(1) Section 6724(d)(1)(B) of such Code (relating to the definition of information returns) is amended by redesignating clauses (xi) through (xvii) as clauses (xii) through (xviii), respectively and by inserting after clause (x) the following new clause:

''(xi) section 6050T(a) (relating to returns by cosmetology service providers).''

By Mr. DEWINE (for himself and Mrs. LINCOLN):

S. 880. A bill to amend title XVIII of the Social Security Act to provide adequate coverage for immunosuppressive drugs furnished to beneficiaries under the Medicare Program that have received an organ transplant, and for other purposes; to the Committee on Finance.

Mr. DEWINE. Mr. President, I rise today to introduce a bill with my colleague, Senator LINCOLN, to help those with End Stage Renal Disease, ESRD, who receive Medicare-eligible kidney transplants. Our bill would help these patients maintain access to life-saving drugs needed to prevent their immune systems from rejecting their new organs.

With each kidney that is successfully transplanted, a gift of new life is given to the recipient. This precious gift should not be jeopardized simply because the recipient is unable to pay for the immunosuppressive drugs that help ensure that his or her immune system does not reject the new organ. It defies common sense for Medicare to cover expensive kidney transplant operations, but not cover the drugs necessary to preserve the transplanted organ.

I would like to thank my colleagues for supporting the passage of most of the bill that I introduced last Congress—S. 631—which was passed as part of the Medicare Benefits and Improvement Protection Act, BIPA. This law eliminated the 36-month time limitation for Medicare coverage of immunosuppressive medications for transplant recipients who (1) received a Medicare transplant and (2) have Medicare-age or disability status. However, transplant recipients whose Medicare eligibility is based solely on their End Stage Renal Disease, ESRD, status did not qualify for the extended coverage under BIPA and remain limited to coverage for 36 months post-transplant.

The bill we are introducing today simply would eliminate the 36-month time limitation for Medicare immunosuppressive drug coverage for the population that was not covered under last year's BIPA provision. Under current law, an individual with ESRD retains his or her Medicare coverage for all medical needs for 36 months post-transplant. This bill would eliminate the 36-month time limitation for the purpose of paying for the immunosuppressive drugs only—all other Medicare coverage, including that related to other post-transplant needs, would cease after 36 months, as under current law.

A 1999 Institute of Medicine, IOM, study estimated the cost of providing indefinite coverage of all Medicare-covered kidney transplants at $848 million over five years. The IOM estimate of eliminating the time limitation for Medicare-aged and disabled transplant recipients only, covered under BIPA, was $566 million over five years. This represents a difference of only $282 million over five years to cover the rest of the ESRD population.

Furthermore, our bill would make Medicare the secondary payer after 36 months for beneficiaries who do not have Medicare-age or disability status, which the IOM report did not consider. Recipients covered by our bill would be subject to the same Part B premium, deductible, and coinsurance that other beneficiaries pay to receive full Part B coverage.

Medicare will pay for another transplant (average cost is $100,000) or dialysis, annual cost is more than $50,000, if a transplant fails. It makes far better sense from an economic and social perspective to extend Medicare coverage for the anti-rejection medications especially at a time when the number of people waiting for a kidney transplant in this country exceeds 48,000 people.

I urge my colleagues to support our bill and help those who receive Medicare-eligible transplants gain access to the immunosuppressive drugs they need to prevent their bodies from rejecting transplanted kidneys.

This legislation is supported by the National Kidney Foundation, the American Society of Transplantation, the American Society of Pediatric Nephrology, the North American Transplant Coordinators Organization, LifeCenter, the Association of Organ Procurement Organizations, the American Kidney Fund, and the Polycystic Kidney Disease Foundation.

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. 880

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 ''Immunosuppressive Drug Coverage Act of 2001''.

SEC. 2. PROVISION OF APPROPRIATE COVERAGE OF IMMUNOSUPPRESSIVE DRUGS UNDER THE MEDICARE PROGRAM.

(a) CONTINUED ENTITLEMENT TO IMMUNOSUPPRESSIVE DRUGS FOR KIDNEY TRANSPLANT RECIPIENTS.—

(1) IN GENERAL.—Section 226A(b)(2) of the Social Security Act (42 U.S.C. 426–1(b)(2)) is amended by inserting ''(except for coverage of immunosuppressive drugs under section 1861(s)(2)(J))'' after ''shall end''.

(2) APPLICATION.—In the case of an individual whose eligibility for benefits under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) has ended except for the coverage of immunosuppressive drugs by reason of the amendment made by paragraph (1), the following rules shall apply:

(A) The individual shall be deemed to be enrolled in part B of the original medicare fee-for-service program under title XVIII of the Social Security Act (42 U.S.C. 1395j et seq.) for purposes of receiving coverage of such drugs.

(B) The individual shall be responsible for the full part B premium under section 1839 of such Act (42 U.S.C. 1395r) in order to receive such coverage.

(C) The provision of such drugs shall be subject to the application of—

(i) the part B deductible under section 1833(b) of such Act (42 U.S.C. 13951(b)); and

(ii) the coinsurance amount applicable for such drugs (as determined under such part B).

(D) If the individual is an inpatient of a hospital or other entity, the individual is entitled to receive coverage of such drugs under such part B.

(3) ESTABLISHMENT OF PROCEDURES IN ORDER TO IMPLEMENT COVERAGE.—The Secretary of Health and Human Services shall establish procedures for—

(A) identifying beneficiaries that are entitled to coverage of immunosuppressive drugs by reason of the amendment made by paragraph (1); and

(B) distinguishing such beneficiaries from beneficiaries that are enrolled under part B of title XVIII of the Social Security Act for the complete package of benefits under such part.

(4) TECHNICAL AMENDMENT.—Subsection (c) of section 226A (42 U.S.C. 426–1), as added by section 201(a)(3)(D)(ii) of the Social Security Independence and Program Improvements Act of 1994 (Public Law 103–296; 108 Stat. 1497), is redesignated as subsection (d).

(b) EXTENSION OF SECONDARY PAYER REQUIREMENTS FOR ESRD BENEFICIARIES.—Section 1862(b)(1)(C) of the Social Security Act (42 U.S.C. 1395y(b)(1)(C)) is amended by adding at the end the following new sentence: ''With regard to immunosuppressive drugs furnished on or after the date of enactment of the Immunosuppressive Drugs Coverage Act of 2001, this subparagraph shall be applied without regard to any time limitation.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to drugs furnished on or after the date of enactment of this Act.

SEC. 3. PLANS REQUIRED TO MAINTAIN COVERAGE OF IMMUNOSUPPRESSIVE DRUGS.

(a) APPLICATION TO CERTAIN HEALTH INSURANCE COVERAGE.—

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

''SEC. 2707. COVERAGE OF IMMUNOSUPPRESSIVE DRUGS.

''A group health plan (and a health insurance issuer offering health insurance coverage in connection with a group health plan) shall provide coverage of immunosuppressive drugs that is at least as comprehensive as the coverage provided by such plan or issuer on the day before the date of enactment of the Immunosuppressive Drug Coverage Act of 2001, and such requirement shall be deemed to be incorporated into this section.''.

(2) CONFORMING AMENDMENT.—Section 2721(b)(2)(A) of the Public Health Service Act (42 U.S.C. 300gg–21(b)(2)(A)) is amended by inserting ''(other than section 2707)'' after ''requirements of such subparts''.

(b) APPLICATION TO GROUP HEALTH PLANS AND GROUP HEALTH INSURANCE COVERAGE UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

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

''SEC. 714. COVERAGE OF IMMUNOSUPPRESSIVE DRUGS.

''A group health plan (and a health insurance issuer offering health insurance coverage in connection with a group health plan) shall provide coverage of immunosuppressive drugs that is at least as comprehensive as the coverage provided by such plan or issuer on the day before the date of enactment of the Immunosuppressive Drug Coverage Act of 2001, and such requirement shall be deemed to be incorporated into this section.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 732(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185(a)) is amended by striking ''section 711'' and inserting ''sections 711 and 714''.

(B) 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. Coverage of Immunosuppressive drugs.''.

(c) APPLICATION TO GROUP HEALTH PLANS UNDER THE INTERNAL REVENUE CODE OF 1986.—Subchapter B of chapter 100 of the Internal Revenue Code of 1986 is amended—

(1) in the table of sections, by inserting after the item relating to section 9812 the following new item:

''Sec. 9813. Coverage of immunosuppressive drugs.'';

and

(2) by inserting after section 9812 the following:

''SEC. 9813. COVERAGE OF IMMUNOSUPPRESSIVE DRUGS.

''A group health plan shall provide coverage of immunosuppressive drugs that is at least as comprehensive as the coverage provided by such plan on the day before the date of enactment of the Immunosuppressive Drug Coverage Act of 2001, and such requirement shall be deemed to be incorporated into this section.''.

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

By Mr. HATCH (for himself and Mr. BIDEN):

S. 881. A bill to amend the Taxpayer Relief Act of 1997 to provide for consistent treatment of survivor benefits for public safety officers killed in the line of duty; to the Committee on Finance.

Mr. HATCH. Mr. President, today, my good friend and colleague, Senator BIDEN, and I are introducing legislation we have drafted to help ease the burden of those whose husband or wife or father or mother was a public safety officer and has made the ultimate sacrifice and died while protecting the citizens of this Nation. I am speaking of the families of law enforcement officers, firefighters, and rescue squad or ambulance crew members who have lost a loved one in the line of duty.

The Hatch-Biden bill we introduce in the Senate today, the Fallen Hero Survivor Benefit Fairness Act of 2001, is designed to make annuity benefits for survivors of public safety officers killed in the line of duty tax free, so long as the annuity is provided under a governmental plan to the surviving spouse or to the child of the deceased officer.

In the Taxpayer Relief Act of 1997, Congress took an important step in showing our appreciation for this country's fallen heroes by exempting from taxation survivor benefits for those killed in the line of duty after December 31, 1996. This change has undoubtedly made a significant difference to many such surviving families.

But what about the families of fallen heroes who died before that date? Should not their government-provided survivor annuities be tax-free as well? Of course they should.

This bill provides tax equity for those survivors receiving annuities for officers who died on or before December 31, 1996. We must make this tax-free treatment available for all survivors of peace officers who gave their lives to make this great country a

safer place for us all to live. The tax correction in this bill would not be retroactive. Rather, it provides that payments from a qualified survivor annuity received after December 31, 2001, would qualify for tax-free treatment, even if the peace officer was killed prior to the effective date of the Taxpayer Relief Act of 1997 provision.

We are not talking about a great deal of money here. The Joint Committee on Taxation estimates this correction would result in about $5 million per year in lost revenue or a total cost of $46 million over 10 years. This is not a high price to pay to show this country's gratitude for the service these men and women who are public safety officers perform each day when they leave their homes, the risks they take, and for the ultimate sacrifice some of them have made.

Last week, the House Committee on Ways and Means approved identical legislation to correct this problem, and I am told the bill is coming before the entire House for a vote today. Mr. President, this week (May 13–19, 2001) is National Police Week. Although it does not begin to pay our debt to these men and women and their survivors, I cannot think of a better way to honor those public service officers who have died in the line of duty than to pass bills like this one that recognize their sacrifices and attempt to help their survivors with their burdens. I hope our colleagues will join us in cosponsoring this bill and in passing this legislation this week.

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

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

S. 881

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Fallen Hero Survivor Benefit Fairness Act of 2001''.

SEC. 2. CONSISTENT TREATMENT OF SURVIVOR BENEFITS FOR PUBLIC SAFETY OFFICERS KILLED IN THE LINE OF DUTY.

Subsection (b) of section 1528 of the Taxpayer Relief Act of 1997 (Public Law 105–34) is amended by striking the period and inserting '', and to amounts received in taxable years beginning after December 31, 2001, with respect to individuals dying on or before December 31, 1996.''.

By Ms. MIKULSKI (for himself, Ms. SNOWE, Mrs. MURRAY, Ms. COLLINS, and Mr. SARBANES):

S. 882. A bill to amend title II of the Social Security Act to provide that a monthly insurance benefit thereunder shall be paid for the month in which the recipient dies, subject to a reduction of 50 percent if the recipient dies during the first 15 days of such month, and for other purposes; to the Committee on Finance.

Ms. MIKULSKI. Mr. President, today, I rise to talk about an issue that is very important to me, very important to my constituents in Maryland and very important to the people of the United States of America.

For the fourth Congress in a row, I am joining in a bipartisan effort with my friend and colleague, Senator OLYMPIA SNOWE, to end an unfair policy of the Social Security System.

Senator SNOWE and I are introducing the Social Security Family Protection Act. This bill addresses retirement security and family security. We want the middle class of this Nation to know that we are going to give help to those who practice self-help.

What is it I am talking about? I was shocked when I found out that Social Security does not pay benefits for the last month of life. If a Social Security retiree dies on the 18th of the month or even on the 30th of the month, the surviving spouse or family members must send back the Social Security check for that month.

I think that is an harsh and heartless rule. That individual worked for Social Security benefits, earned those benefits, and paid into the Social Security trust fund. The system should allow the surviving spouse or the estate of the family to use that Social Security check for the last month of life.

This legislation has an urgency. When a loved one dies, there are expenses that the family must take care of. People have called my office in tears. Very often it is a son or a daughter that is grieving the death of a parent. They are clearing up the paperwork for their mom or dad, and there is the Social Security check. And they say, 'Senator, the check says for the month of May. Mom died on May 28. Why do we have to send the Social Security check back? We have bills to pay. We have utility coverage that we need to wrap up, mom's rent, or her mortgage, or health expenses. Why is Social Security telling me, 'Send the check back or we're going to come and get you'?'

With all the problems in our country today, we ought to be going after drug dealers and tax dodgers, not honest people who have paid into Social Security, and not the surviving spouse or the family who have been left with the bills for the last month of their loved one's life. They are absolutely right when they call me and say that Social Security was supposed to be there for them.

I've listened to my constituents and to the stories of their lives. What they say is this: ''Senator MIKULSKI, we don't want anything for free. But our family does want what our parents worked for. We do want what we feel we deserve and what has been paid for in the trust fund in our loved one's name. Please make sure that our family gets the Social Security check for the last month of our life.''

That is what our bill is going to do. That is why Senator Snowe and I are introducing the Family Social Security Protection Act. When we talk about retirement security, the most important part of that is income security. And the safety net for most Americans is Social Security.

We know that as Senators we have to make sure that Social Security remains solvent, and we are working to do that. We also don't want to create an undue administrative burden at the Social Security Administration—a burden that might affect today's retirees. But it is absolutely crucial that we provide a Social Security check for the last month of life.

How do we propose to do that? We have a very simple, straightforward way of dealing with this problem. Our legislation says that if you die before the 15th of the month, you will get a check for half the month. If you die after the 15th of the month, your surviving spouse or the family estate would get a check for the full month.

We think this bill is fundamentally fair. Senator SNOWE and I are old-fashioned in our belief in family values. We believe you honor your father and your mother. We believe that it is not only a good religious and moral principle, but it is good public policy as well.

The way to honor your father and mother is to have a strong Social Security System and to make sure the system is fair in every way. That means fair for the retiree and fair for the spouse and family. We strongly feel that the current system is an injustice to spouses and families across the Nation. Just because a beneficiary passes away, it does not mean that their bills can go unpaid. Join us to correct this policy and to ensure that families and recipients are protected during this difficult time. That is why we support making sure that the surviving spouse or family can keep the Social Security check for the last month of life.

We urge our colleagues to join us in this effort and support the Social Security Family Protection Act.

By Mr. DODD:

S. 883. A bill to ensure the energy self-sufficiency of the United States by 2011, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. DODD. 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 printed in the RECORD, as follows:

S. 883

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 ''Energy Independence Act of 2001''.

SEC. 2. DOMESTIC ENERGY SELF-SUFFICIENCY PLAN.

(a) STRATEGIC PLAN.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Energy shall develop and submit to Congress a strategic plan to ensure that the United States is energy self-sufficient by the year 2011.

(2) RECOMMENDATIONS.—The plan developed under paragraph (1) shall include recommendations for legislative and regulatory actions needed to achieve the goal of the plan described in that paragraph.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $20,000,000.

SEC. 3. FEDERAL GOVERNMENT FUEL CELL PILOT PROGRAM.

(a) PROGRAM.—The Secretary of Energy shall establish a program for the acquisition, for use at federally owned or operated facilities, of—

(1) not to exceed 100 commercially available 200 kilowatt fuel cell power plants;

(2) not to exceed 20 megawatts of power generated from commercially available fuel cell power plants; or

(3) a combination of the power plants described in paragraphs (1) and (2).

(b) FUNDING.—The Secretary shall provide funding and any other necessary assistance for the purchase, site engineering, installation, startup, training, operation, and maintenance costs associated with the acquisition of the power plants under subsection (a).

(c) DOMESTIC ASSEMBLY.—All fuel cell systems and fuel cell stacks in power plants acquired, or from which power is acquired, under subsection (a) shall be assembled in the United States.

(d) SITE SELECTION.—In the selection of a federally owned or operated facility as a site for the location of a power plant acquired under this section, or as a site to receive power acquired under this section, priority shall be given to a site with 1 or more of the following attributes:

(1) A location in an area classified as a nonattainment area under title I of the Clean Air Act (42 U.S.C. 7401 et seq.).

(2) Computer or electronic operations that are sensitive to power supply disruptions.

(3) A need for a reliable, uninterrupted power supply.

(4) A remote location or other factors requiring off-grid power generation.

(5) Critical manufacturing or other activities that support national security efforts.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $140,000,000 for the period of fiscal years 2002 through 2004.

SEC. 4. PROTON EXCHANGE MEMBRANE DEMONSTRATION PROGRAMS.

(a) IN GENERAL.—

(1) ESTABLISHMENT.—The President, in coordination with the Secretary of Energy, the Secretary of Transportation, the Secretary of Defense, and the Secretary of Housing and Urban Development, shall establish a program for the demonstration of fuel cell proton exchange membrane technology in the areas of responsibility of those Secretaries with respect to commercial, residential, and transportation applications, including buses.

(2) FOCUS.—The program established under paragraph (1) shall focus specifically on promoting the application of, and improving manufacturing production and processes for, proton exchange membrane fuel cell technology.

(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $140,000,000 for the period of fiscal years 2002 through 2004.

(b) BUS DEMONSTRATION PROGRAM.—

(1) ESTABLISHMENT.—The President, in coordination with the Secretary of Energy and the Secretary of Transportation, shall establish a comprehensive proton exchange membrane fuel cell bus demonstration program to address hydrogen production, storage, and use in transit bus applications.

(2) COMPONENTS.—The program established under paragraph (1) shall—

(A) cover all aspects of the introduction of proton exchange membrane fuel cells; and

(B) include provisions for—

(i) the development, installation, and operation of a hydrogen delivery system located on-site at transit bus terminals;

(ii) the development, installation, and operation of—

(I) on-site storage associated with the hydrogen delivery systems; and

(II) storage tank systems incorporated into the structure of a transit bus;

(iii) the demonstration of the use of hydrogen as a practical, safe, renewable energy source in a highly efficient, zero-emission power system for buses;

(iv) the development of a hydrogen proton exchange membrane fuel cell power system that is confirmed and verified as being compatible with transit bus application requirements;

(v) durability testing of the fuel cell bus at a national testing facility;

(vi) the identification and implementation of necessary codes and standards for the safe use of hydrogen as a fuel suitable for bus application, including the fuel cell power system and related operational facilities;

(vii) the identification and implementation of maintenance and overhaul requirements for hydrogen proton exchange membrane fuel cell transit buses; and

(viii) the completion of a fleet vehicle evaluation program by bus operators along normal transit routes to provide equipment manufacturers and transit operators with the necessary analyses to enable operation of the hydrogen proton exchange membrane fuel cell bus under a range of operating environments.

(3) DOMESTIC ASSEMBLY.—All fuel cell systems and fuel cell stacks in power plants acquired, or from which power is acquired, under paragraph (1) shall be assembled in the United States.

(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $150,000,000 for the period of fiscal years 2002 through 2004.

SEC. 5. FEDERAL VEHICLES.

(a) IN GENERAL.—The head of each agency of the Federal Government that maintains a fleet of motor vehicles shall develop, implement by not later than October 1, 2006, and carry out through September 30, 2011, a plan for a transition of the fleet to vehicles powered by fuel cell technology.

(b) REQUIREMENTS OF PLAN.—A plan developed under subsection (a) shall—

(1) incorporate and build on the results of completed and ongoing Federal demonstration programs, including the program established under section 4; and

(2) include additional demonstration programs and pilot programs as the head of the applicable agency determines to be necessary to test or investigate available technologies and transition procedures.

SEC. 6. LIFE-CYCLE COST BENEFIT ANALYSIS.

Any life-cycle cost benefit analysis carried out by a Federal agency under this Act that concerns an investment in a product, a service, construction, or any other project shall include an analysis of environmental and power reliability factors.

SEC. 7. STATE AND LOCAL GOVERNMENT INCENTIVES.

(a) GRANT PROGRAM.—

(1) IN GENERAL.—The Secretary of Energy shall establish a program for to make grants to State or local governments for the use of fuel cell technology in meeting energy requirements of the State or local governments, including the use of fuel cell technology as a source of power for motor vehicles.

(2) COST SHARING.—The Federal share of the cost of any project or activity funded with a grant under this section shall not exceed 90 percent.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $110,000,000 for each of fiscal years 2002 through 2006.

By Mr. DOMENICI (for himself and Mrs. HUTCHISON):

S. 884. A bill to improve port-of-entry infrastructure along the Southwest border of the United States, to establish grants to improve ports-of-entry facilities, to designate a port-of-entry as a port technology demonstration site, and for other purposes; to the Committee on Finance.

Mr. DOMENICI. Mr. President, I rise today to introduce the Southwest Border Port-of-Entry Infrastructure Improvement Act. The Southwest border region has been ignored for far too long, and as a result, has lagged behind the rest of the Nation in many areas. Poor health and environmental quality, inadequate infrastructure, and fewer technological and educational resources are common facts of life along much of the Southwest Border.

Last year, the U.S.-Mexico Border had a population of 12.6 million. By 2020, the region will have more than 21 million residents. That means that the southwest border region is growing at more than twice the national average and 40 percent faster than the U.S.'s fastest growing states.

And what has been the engine of this tremendous growth? Trade. When the North American Free Trade Agreement came into effect in 1994, U.S.-Mexico trade totaled $100 billion. In 1999 trade between the two countries accounted for $197 billion, a near doubling in only 5 years.

Unfortunately, we have failed to invest in the Southwest Border to accommodate this tremendous growth. In 1999, eighty-six percent of U.S-Mexico trade was transported across the border by trucks. Yet, rather than promote a system where trade can flourish, we have congested traffic lanes where drivers have to wait three even 5 hours before crossing the border.

These lines include all manner of people and industry, from a truck filled with auto parts en route to Detroit to hungry tourists wanting an authentic taco to service employees who live in Mexico and work in the United States. The effect of these unnecessary traffic backlogs is two-fold.

First, significant delays at our nation's ports-of-entry along the Southwest Border results in inefficient trade. This works at cross purposes with ''just in time delivery.''

A primary reason that U.S.-Mexico trade has increased so dramatically is that the border allows companies to benefit from ''just in time'' delivery. Using ''just in time,'' firms eliminate warehousing and preservation costs, resulting in lower prices and more efficient delivery.

Primary producers, intermediary companies, downstream retailers, and customers all rely on the timely delivery of goods and services. But huge backlogs makes ''just-in-time'' delivery more like delivery ''some time.'' When delivery times increase or are uncertain, associated costs increase for everyone down the product and user chain.

Second, long traffic backlogs detrimentally affect the people who live along the Southwest Border.

A study by the Environmental Protection Agency concluded that, ''the border's health conditions and risks * * * are among the most troubling and the most serious in the United States.

Health and environmental problems seem to be most prevalent in poverty stricken areas. The Southwest Border is one of the poorest regions in the nation. In fact, nearly 27 percent of New Mexico's Dona Ana County live below the poverty line, double the national average, and other counties along the border are even worse off. For example, 40 percent of Maverick County, Texas' population live below the poverty level.

We cannot continue to focus on the increased wealth the Nation enjoys from trade while ignoring the burden that trade imposes on border residents.

Long backlogs at ports-of-entry along the Southwest Border creates a substantial hardship on the people in the region. The EPA report concluded that the border disproportionately suffers from serious health threats due, in part, to airborne pollutants from vehicle emissions.

Increased trade means ever increasing vehicle emissions. A recent study by the North American Commission for Environmental Cooperation found that truck traffic increases 8.6 percent per year. An 8.6 percent increase means that by 2020, commodity truck flows will be 5.5 times greater than 1999 levels.

That study never considered the recent NAFTA arbitration panel ruling that the U.S.'s policy prohibiting Mexican trucks beyond twenty miles from the border violates the trade agreement.

I would like the U.S. to promote trade so that the entire Nation's economy continues to grow. Yet, we need to act pro-actively with foresight and responsible planning so that the Southwest Border infrastructure can adequately handle the projected and likely traffic increases.

I would like to see the engine that is our economy keep running. I just want that engine to run faster, quieter, and smoother. That's why I am introducing the Southwest Border Infrastructure Improvement Act.

This bill provides funds to improve our ports-of-entry and ensure efficient binational trade in the future.

Specifically, this bill directs the U.S. Customs Service to update the ''Ports of Entry Infrastructure Assessment Study'' within 6 months of enactment. Pursuant to the updated study, it provides $500 million to be spent over five years for the recommended improvements.

Second, this legislation recognizes our unique shared border and relationship with Mexico. It considers that a unilateral solution along a binational border is no solution at all.

Therefore, this bill establishes a $75 million grant fund for FY02 and other sums for 2003–2006 through the Department of Transportation for port-of-entry infrastructure improvements that would reduce negative environmental impacts, such as air pollution, associated with cross-border transportation.

The grant program will be administered by the North American Development Bank and certified by the Border Environment Cooperation Commission. Grant applicants must meet a dollar for dollar match requirement to receive grant funds.

Last, this bill recognizes that new technologies must be developed to facilitate future binational trade. Our current system of processing goods at ports is impractical, overly burdensome, and is a substantial factor in traffic backlogs.

In order to innovate more efficient processing systems, this legislation designates that a port-of-entry will serve as a site to demonstrate port technologies. The Customs Service will carry out a program to test and evaluate such new technologies. This bill provides $10 million for 2002 and other sums from 2003 through 2006 for that purpose.

The selected port must have sufficient space to conduct the demonstration program, have low traffic volume so that new technologies may be incorporated without interrupting normal processing activity, and have a relatively modern design.

The recent NAFTA arbitration panel ruling concerning the U.S.'s policy prohibiting Mexican trucks from entering the United States brings our infrastructure limitations to the forefront. It is imperative to improve the Southwest Border's inadequate infrastructure and design. We must act to ensure continued national growth while working to improve the health and environment of border residents.

By Mr. HUTCHINSON (for himself, Mr. CLELAND, and Mr. MILLER):

S. 885. A bill to amend title XVIII of the Social Security Act to provide for national standardized payment amounts for inpatient hospital services furnished under the medicare program; to the Committee on Finance.

Mr. HUTCHINSON. Mr. President, I am pleased today to be joined by Senator CLELAND of Georgia in introducing the Area Wage and Base Payment Improvement Act, which seeks to address Medicare payment inequities for rural and small hospitals so they may pay competitive wages to attract and retain health care personnel and provide quality health care.

We all know that the health care workforce is shrinking, both in its own right and relative to the growing patient population. This is illustrated by the nursing profession. The average age of nurses today is 43.3 years, and less than 10 percent of the current nurse workforce is below age 30. Unfortunately, many nurses are leaving the occupation because of low pay, excessive paperwork burdens, a lack of respect, and other consequences of being short-staffed, such as overly long shifts, mandatory overtime, and the stress of having too many patients under their care. The result is that very few new nurses are getting into the pipeline to replace those who have retired or left the profession. The nursing shortage is being felt in virtually every part of the country, but especially in rural areas, where it is hard for hospitals to recruit and retain qualified personnel. In my home State of Arkansas, where nearly every county is considered a medically underserved area, hospitals are reporting over 750 nurse vacancies, this says nothing of the other personnel shortages they are experiencing as well.

Such severe shortages in qualified health care personnel have ''nationalized'' the market for health care professionals, and historically low labor costs in rural and small urban areas have disappeared. Hospitals in these areas must compete with large urban hospitals for qualified workers and pay higher wages as a result. In some cases, rural hospitals are being forced to pay health care personnel even more than urban hospitals. For example, a nurse practitioner in rural Arkansas is paid $29.04 per hours on average, while the same nurse practitioner would be paid $28.22 per hour in an urban hospital.

The Area Wage and Base Payment Improvement Act would address this issue by establishing an area wage index floor of 0.925 in order to bring payments in areas with the lowest wage indexes up to just below the national average of 1.00. The wage index is intended to adjust Medicare hospital inpatient and outpatient payments to account for varying wage rates paid by hospitals for workers in different market areas across the country, but it has not been updated since 1997. In Arkansas, the area wage index for rural hospitals is as low as .7445. By creating an area wage index floor of .925, as many as 72 hospitals in Arkansas and 2,100 hospitals nationwide will see an increase in their Medicare payments and their ability to provide competitive wages for hospital labor.

The legislation we are introducing also makes an important change to the Medicare payment formula by increasing the Medicare inpatient prospective payment system, PPS, base amount for rural and small urban hospitals. This base payment is primarily intended to cover labor costs. Today, there are two different base payment amounts for hospitals paid under the Medicare PPS, hospitals in large urban areas receive a base payment of $4,197, while hospitals located in all other areas receive a lower amount of $4,130. This legislation will eliminate this disparity and create one base payment of $4,197 for all hospitals. Nationwide, 2,600 hospitals will benefit from this payment increase.

The Area Wage and Base Payment Improvement Act will provide critical payments to small and rural hospitals

striving to provide quality health care and put them on an equal footing with large urban hospitals in terms of competing for health care personnel. I urge my colleagues in the Senate to support this important, bipartisan legislation.

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. 885

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 ''Area Wage and Base Payment Improvement Act''.

SEC. 2. ESTABLISHING A SINGLE STANDARDIZED AMOUNT UNDER MEDICARE INPATIENT HOSPITAL PPS.

(a) IN GENERAL.—Section 1886(d)(3)(A) of the Social Security Act (42 U.S.C. 1395ww(d)(3)(A)) is amended—

(1) in clause (iv), by inserting ''and ending on or before September 30, 2001,'' after ''October 1, 1995,''; and

(2) by redesignating clauses (v) and (vi) as clauses (vii) and (viii), respectively, and inserting after clause (iv) the following new clauses:

''(v) For discharges occurring in the fiscal year beginning on October 1, 2001, the average standardized amount for hospitals located in areas other than a large urban area shall be equal to the average standardized amount for hospitals located in a large urban area.

''(vi) For discharges occurring in a fiscal year beginning on or after October 1, 2002, the Secretary shall compute an average standardized amount for hospitals located in all areas within the United States equal to the average standardized amount computed under clause (v) or this clause for the previous fiscal year increased by the applicable percentage increase under subsection (b)(3)(B)(i) for the fiscal year involved.''.

(b) CONFORMING AMENDMENTS.—

(1) UPDATE FACTOR.—Section 1886(b)(3)(B)(i)(XVII) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)(i)(XVII)) is amended by striking ''for hospitals in all areas,'' and inserting ''for hospitals located in a large urban area,''.

(2) COMPUTING DRG-SPECIFIC RATES.—

(A) IN GENERAL.—Section 1886(d)(3)(D) of such Act (42 U.S.C. 1395ww(d)(3)(D)) is amended—

(i) in the heading by striking ''IN DIFFERENT AREAS'';

(ii) in the matter preceding clause (i)—

(I) by inserting ''for fiscal years before fiscal year 1997'' before ''a regional DRG prospective payment rate for each region,''; and

(II) by striking ''each of which is'';

(iii) in clause (i)—

(I) by inserting ''for fiscal years before fiscal year 2002,'' after ''(i)''; and

(II) by striking ''and'' at the end;

(iv) in clause (ii)—

(I) by inserting ''for fiscal years before fiscal year 2002,'' after ''(ii)''; and

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

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

''(iii) for a fiscal year beginning after fiscal year 2001, for hospitals located in all areas, to the product of—

''(I) the applicable average standardized amount (computed under subparagraph (A)), reduced under subparagraph (B), and adjusted or reduced under subparagraph (C) for the fiscal year; and

''(II) the weighting factor (determined under paragraph (4)(B)) for that diagnosis-related group.''.

(B) TECHNICAL CONFORMING SUNSET.—Section 1886(d)(3) of such Act (42 U.S.C. 1395ww(d)(3)) is amended in the matter preceding subparagraph (A) by inserting ''for fiscal years before fiscal year 1997'' before ''a regional DRG prospective payment rate''.

SEC. 3. FLOOR ON AREA WAGE ADJUSTMENT FACTORS USED UNDER MEDICARE PPS FOR INPATIENT AND OUTPATIENT HOSPITAL SERVICES.

(a) INPATIENT PPS.—Section 1886(d)(3)(E) of the Social Security Act (42 U.S.C. 1395ww(d)(3)(E)) is amended—

(1) by inserting ''(i) IN GENERAL.—'' before ''The Secretary'', and adjusting the margin two ems to the right;

(2) by striking ''The Secretary'' and inserting ''Subject to clause (ii), the Secretary''; and

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

''(ii) FLOOR ON AREA WAGE ADJUSTMENT FACTOR.—Notwithstanding clause (i), in determining payments under this subsection for discharges occurring on or after October 1, 2001, the Secretary shall substitute a factor of .925 for any factor that would otherwise apply under such clause that is less than .925. Nothing in this clause shall be construed as authorizing—

''(I) the application of the last sentence of clause (i) to any substitution made pursuant to this clause, or

''(II) the application of the preceding sentence of this clause to adjustments for area wage levels made under other payment systems established under this title (other than the payment system under section 1833(t)) to which the factors established under clause (i) apply.''.

(b) OUTPATIENT PPS.—Section 1833(t)(2) of the Social Security Act (42 U.S.C. 1395l(t)(2)) is amended by adding at the end the following: ''For purposes of subparagraph (D) for items and services furnished on or after October 1, 2001, if the factors established under clause (i) of section 1886(d)(3)(E) are used to adjust for relative differences in labor and labor-related costs under the payment system established under this subsection, the provisions of clause (ii) of such section (relating to a floor on area wage adjustment factor) shall apply to such factors, as used in this subsection, in the same manner and to the same extent (including waiving the applicability of the requirement for such floor to be applied in a budget neutral manner) as they apply to factors under section 1886.''.

Mr. CLELAND. Mr. President. I want to thank my distinguished colleague from Arkansas, Senator TIM HUTCHINSON, for his leadership on the Area Wage and Base Payment Improvement Act. I am very pleased to join Senator HUTCHINSON in this bipartisan measure to address Medicare inequities in the wage index for rural and community hospitals.

The severe shortage of nurses and other crucial health care workers has driven salaries higher to compete for these employees. The current Medicare wage index for rural areas reimburses at a lower rate which is based on 1997 data. In an increasingly competitive market for health care workers, rural area hospitals are in their ability to provide quality care.

Our proposal establishes a ''floor'' on the area wage index and will adjust Medicare inpatient and outpatient prospective payments (PPS) for rural and small metropolitan hospitals. By setting a floor on the area wage index of 0.925, our proposed correction would bring Medicare payments in areas with the lowest wage index up to just below the national average which is established at 1.00. The impact of the 0.925 floor is estimated to help more than 2100 mostly rural, but also some urban hospitals across the country.

This measure also increases the Medicare PPS base, of which a significant portion is to cover hospital labor costs. Today's competitive labor market has reduced the disparity in wages between large urban hospitals and rural and small metropolitan facilities. It makes sense that Medicare needs to move to one base payment for the inpatient PPS. The key issue here should be access to health care. For states like Georgia and Arkansas, with a large number of residents living in rural areas, the closing or downsizing of hospital beds because of out-of-date Medicare payment rates and insufficient health workers to provide safe care is creating a health care catastrophe.

Our measure is the companion bill to H.R. 1609. We urge our colleagues to support this bicameral, bipartisan effort to ensure access to rural and smaller metropolitan hospitals for Medicare beneficiaries.

By Mr. WELLSTONE:

S. 886. A bill to establish the Katie Poirer Abduction Emergency Fund, and for other purposes; to the Committee on the Judiciary.

Mr. WELLSTONE. Mr. President, last year in my home State, a talented, spirited young woman named Katie Poirier was abducted from the her job at a Carlton County convenience store. Within days of her disappearance, there was an enormous outpouring of community concern and support, with hundreds of volunteers helping local law enforcement search for Katie. Tragically, Katier's body was later recovered and a suspect arrested and tried for her murder.

The Poirier, Holmquist and Swanson cases in Minnesota, all involving abductions and homicides, demonstrate that resources and good information are absolutely crucial to successful law enforcement, particularly in our small towns and rural communities which are too often overlooked.

To that end, I am re-introducing legislation called ''Katie's Law,'' in honor of Katie Poirier, which will give rural law enforcement the assistance they need to deal with high profile, major crimes.

This legislation will establish a Federal ''Katie Poirier Abduction Emergency Fund'' to assist local and rural law enforcement agencies with the unanticipated expenses of major crimes. Second, it will provide grants to local and rural law enforcement agencies to integrate their identification technologies, or to establish systems that

work with the FBI's Integrated Automated Fingerprint Identification System, IAFIS. In many rural communities, this will cut down the time it takes to identify a violent suspect from two months to two hours.

There are hundreds of thousands adult and child abductions and homicides each year in rural counties. When a high profile, major crime occurs, like the Wetterling or Poirier abduction, local and rural law enforcement with small budgets are frequently overwhelmed by the financial demands these large cases make. The overwhelming hours and investigative demand can wipe out small budgets with expenses, including overtime pay, transporting witnesses and suspects if there is a change of trial venue, as occurred in the Poirier case, and other unanticipated costs.

As the sheriffs across my home State will tell you, the first 72 hours in an abduction case are the most critical. After that, the chances of locating the victim alive drop dramatically. No matter how short staffed or small the budget, law enforcement must put its pedal to the metal 100 percent after an abduction or homicide. It is crucial that rural law enforcement agencies with limited resources handling major crimes get the support they need from the State and Federal governments.

In Minnesota when a high profile case occurs, a joint task force is established between the Bureau of Criminal Apprehension, the FBI, and the local law enforcement agency. Sheriffs I have spoken with say the task force model is effective and extremely helpful. Yet, they still must cover many unanticipated expenses such as huge surges in overtime. Many of them just can't do it. As one sheriff said to my staff, ''I am running my agency on fumes, not gas. I've got nothing left.''

My bill would establish a Federal Abduction Emergency Fund to help small law enforcement agencies with expenses from high-profile, major crimes, including kidnaping and homicides. The Attorney General would make grants available to state agencies to distribute to local and rural law enforcement agencies in need. The total amount would be $10 million for each of three years.

Second, my legislation will provide local law enforcement officers with the resources to use the latest identification system to solve and prevent crime. Access to quality, accurate information in a timely fashion is of vital importance in that effort.

One of the best tools available is the FBI's IAFIS system. Since rural and local enforcement often do not have the funds to access the FBI's Integrated Automated Fingerprint Identification System, (IAFIS), they are at a disadvantage when trying to identify violent offenders.

State and local law enforcement organizations need to develop and upgrade their criminal information and identification systems, as well as integrate those systems with other jurisdictions. The Federal Government has invested billions in information and identification systems whose benefits will go largely unrealized unless local law enforcement receive the resources to be able to participate in these systems.

Unfortunately, there is a wide disparity between the criminal identification systems that are now available, and the ability of state and local law enforcement to use them. Many states, including Minnesota, have been developing systems which will allow, at a minimum, the most populous areas to link up to the FBI's IAFIS system. However, many small, rural localities are being left behind. This reduces the capacity of rural law enforcement to quickly verify the identity and criminal record of dangerous suspects in their custody.

Right now, in many rural counties, a sheriff's office may have to wait as long as two months to have a suspect positively identified. Access to FBI's IAFIS system would allow sheriffs like Ray Hunt to determine under two hours a suspect's identity who has an existing file with the FBI.

This legislation will be one step in bridging this gap. It will provide grants to states to assist local and rural law enforcement to intergrate information technologies or to establish systems that work with the FBI's. These funds may be used by local law enforcement agencies to integrate information systems with other jurisdictions, or for training, and maintenance and purchase of fingerprint identification technology. The total amount to be authorized is $20 million for each of three years.

''Katie's Law'' will be instrumental in ensuring that rural law enforcement is not left behind. I can never know how the Poirier and the other families really feel, the depth of their pain and the tremendous losses they have suffered. But, I do know how I feel—we must and can do more to safeguard our children and to support rural law enforcement prevent and solve violent crimes. I believe ''Katie's Law'' is an important step forward in that direction.

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. 886

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 ''Katie's Law''.

SEC. 2. KATIE POIRIER ABDUCTION EMERGENCY FUND.

(a) ESTABLISHMENT OF ABDUCTION EMERGENCY FUND.—Not later than 90 days after the date of enactment of this Act, the Attorney General shall establish the Katie Poirier Abduction Emergency Fund (referred to in this section as the ''fund'') to assist local and rural law enforcement agencies with expenses resulting from a crime, including an abduction or homicide, that results in extraordinary unanticipated costs to the agency because of the magnitude of the crime and the need to adequately respond with personnel and support.

(b) EMERGENCY GRANTS.—The Attorney General shall make grants to States to be distributed to local and rural law enforcement agencies as determined by the State.

(c) CRITERIA FOR GRANTS.—The Attorney General shall establish criteria for awarding grants under this section.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for each of the fiscal years 2002 through 2004.

SEC. 3. ESTABLISHMENT OF GRANT PROGRAM TO ASSIST LOCAL AND RURAL LAW ENFORCEMENT AGENCIES IN ESTABLISHING OR UPGRADING AN INTEGRATED APPROACH TO DEVELOP IDENTIFICATION TECHNOLOGIES AND SYSTEMS TO IMPROVE CRIMINAL IDENTIFICATION.

(a) IN GENERAL.—The Attorney General, through the Bureau of Justice Statistics of the Department of Justice, shall make grants to States which shall be used to assist local and rural law enforcement agencies in establishing or upgrading an integrated approach to develop identification technologies and systems to improve criminal identification.

(b) CRITERIA FOR GRANTS.—The Attorney General shall establish criteria for awarding grants under this section.

(c) USE OF GRANTS.—Grants under this section may be used by local and rural law enforcement agencies to integrate information technologies or to establish, develop, or upgrade automated fingerprint identification systems, including live scan and other automated systems to digitize fingerprints and communicate prints, that are compatible with standards established by the National Institute of Standards and Technology and interoperable with systems operated by States and the Integrated Automated Fingerprint Identification System of the Federal Bureau of Investigation.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $20,000,000 for each of the fiscal years 2002 through 2004.

By Mr. WELLSTONE:

S. 887. A bill to amend the Torture Victims Relief Act of 1986 to authorize appropriations to provide assistance for domestic centers and programs for the treatment of victims of torture; to the Committee on the Judiciary.

Mr. WELLSTONE. Mr. President, I am introducing the Torture Victims Relief Act of 2001. This bill authorizes increased appropriations to provide assistance for domestic centers and programs for the treatment of victims of torture. The bill authorizes the authorization levels for domestic treatment centers for victims of torture to $20 million for fiscal year 2002, double the $10 million amount currently authorized for fiscal year 2002 by the Torture Relief Re-authorization Act of 1999, and $25 million for fiscal year 2003 (an increase of $15 million over the current authorization) and establishes an authorization level of $30 million for fiscal year 2004.

Repressive governments frequently make use of torture to silence those who are defending human rights and democracy in their own country. Many

of these people have sought refuge in the United States. The additional funding provided in the Torture Relief Act of 2001 recognizes the debt we own to those courageous people who have made extraordinary sacrifices by speaking out for their principles.

We have come a long way in raising the awareness of torture and helping victims of torture since 1985 when the Center for Victims of Torture in Minnesota was founded and began its pioneering work with torture victims, but still much more needs to be done to stop this terrible practice.

In 1998, as an outgrowth of my work with the Center for Victims of Torture, I introduced the Torture Victims Relief Act. It was adopted by Congress and became law, PL 105–320. The legislation authorized the Department of Health and Human Services to support U.S. treatment programs for victims of torture. For Fiscal Year 2000, Congress appropriated $7.2 million. The implementing agency, the Office of Refugee Settlement, provided 16 grants with this appropriation. About twice that number applied for funding with a total request several times the available amount. For Fiscal Year 2001, Congress appropriated $10 million for this program, the authorized amount. It has become obvious that the program is significantly underfunded and requires the additional support provided by this legislation.

The funds will support treatment services to hundreds of victims each year in 23 treatment centers, located from New York to California and from Minnesota to Texas. The victims have suffered horrendous torture and as a consequence suffer from nightmares, anxiety attacks, flashbacks, depression and other mental health problems. With treatment they can become contributing members of our communities. Without treatment, victims potentially become burdens rather than contributors to our society.

Since adoption of TVRA, the number of treatment programs for victims of torture has more than doubled. The National Consortium of Torture Treatment Programs now include 23 organizations and others are seeking membership.

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. 887

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 ''Torture Victims Relief Act of 2001''.

SEC. 2. AUTHORIZATION OF APPROPRIATIONS FOR DOMESTIC TREATMENT CENTERS FOR VICTIMS OF TORTURE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 5(b)(1) of the Torture Victims Relief Act of 1998 (22 U.S.C. 2152 note) is amended to read as follows:

''(b) FUNDING.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts authorized to be appropriated for the Department of Health and Human Services for fiscal years 2002, 2003, and 2004, there are authorized to be appropriated to carry out subsection (a) (relating to assistance for domestic centers and programs for the treatment of victims of torture) $20,000,000 for fiscal year 2002, $25,000,000 for fiscal year 2003, and $30,000,000 for fiscal year 2004.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect October 1, 2001.

By Mr. LIEBERMAN:

S. 888. A bill to amend the Internal Revenue Code of 1986 to provide assistance to students and families coping with the costs of higher education, and for other purposes; to the Committee on Finance.

Mr. LIEBERMAN. Mr. President, today I am pleased to introduce the College Tuition Assistance Act of 2001, a bill that will provide tax relief to middle and lower income American families struggling to pay the rising cost of college tuition for their children.

Last year, at my request, the Committee on Governmental Affairs held two days of hearings on the affordability of higher education. Those hearings showed that the price of college tuition continues to rise at a pace that exceeds the rate of inflation. In fact, the most recent data released by the College Board show that since 1980, both public and private four-year college tuitions have increased on average more than 115 percent over inflation. It's no wonder families are worried about their ability to afford a college education for their children, and about the student loan debt burden their children may have to bear after graduation. We should be worried too—ensuring that higher education is affordable is critical to our nation's ability to maintain its competitiveness in a global economy. Highly trained, skilled workers making good wages are the engine that powers our economy, both because of the work they do and the revenue they generate as both buyers and sellers of goods and services.

The College Tuition Assistance Act will help families in four key ways:

First, it will help them pay tuition expenses while students are in school, by increasing the value of the current Lifetime Learning Credit. Under my bill, while a student is in college, a family would be eligible for a tax credit or tax deduction worth as much as $2,800 toward the first $10,000 in tuition and fees they pay each year. In addition, the adjusted income levels at which individuals and families qualify for the credit are raised so that more families would be eligible to receive this credit.

Second, my bill would remove the requirement that Pell grants and other need-based government aid be subtracted from a family's eligible college expenses, allowing those families to qualify for some portion of the Lifetime Learning Credit. A problem under current law is that the value of need-based aid, such as a Pell grant, received by the child of a lower income family may reduce or even eliminate the family's eligibility for a tax credit based on tuition expenses. However, a recent study by the Congressionally-created Advisory Committee on Student Financial Assistance showed that, even after receiving need-based aid, students from low-income families have as much as $3,800 a year in ''unmet need,'' that is, college expenses that are not covered by assistance and which the family may be unable to afford. If families are permitted to subtract the value of their government aid from their eligible college expenses, they may qualify for the first time for the Lifetime Learning Credit and apply this money toward the costs of their college student's education. Without this help, many students from low-income families might not attend college; the Advisory Committee's report says that, because of the financial barriers, even the most highly qualified students from low-income families attend college at a rate that is 20 percent lower than equally qualified students from the wealthiest families. For less qualified students, this differential is nearly 40 percent.

Third, the costs of higher education continue to be a burden for many students even after graduation, as their student loans come due and they find a significant portion of their disposable income going to pay interest on these loans. Some graduates find that, even with their higher salary, they cannot afford many of the basic things they would like to acquire as adults, such as home or car purchases or even starting a new family. The College Tuition Assistance Act will expand the current tax law in three ways to provide more help offsetting the interest costs associated with repayment of student loans after graduation. This bill will remove the current five year limit on deductions of student loan interest, it will raise the adjusted income levels so more individuals and families can qualify for this deduction, and it will allow the deduction to be taken for each student in the family who owes interest on college loans.

Finally, studies repeatedly show that the purchasing power of the Pell grant itself has been significantly eroded. Recent reports issued by the College Board and the American Council on Education show that in academic year 1975–1976, the maximum Pell grant covered 78 percent of the price of attending a public four-year college; for the current academic year, the maximum grant is enough to cover only 39 percent of these costs. We must do a better job of funding this crucial assistance to low-income students. President Bush, during last year's campaign, pledged to increase the maximum Pell grant for first-year students to $5,100 from its current level of $3,300. While many experts do not support the notion of ''front-loading'' by increasing

aid only to first-year students, this was at least a significant proposed increase in Pell grant funding. The College Tuition Assistance Act will encourage meaningful increases in the maximum Pell grant by raising the authorization level for academic years 2001–2002 and 2002–2003 to $5,800.

A college degree is a basic necessity in our Innovation Economy and a family's financial status should not be the determining factor in whether a young person joins society with the advantages of higher education or not. I hope, with the support of my colleagues, that we can pass the College Tuition Assistance Act in order to ease the burden middle and lower income families and their children bear on their way to success.

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. 888

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 ''College Tuition Assistance Act of 2001''.

SEC. 2. DEDUCTION FOR HIGHER EDUCATION EXPENSES.

(a) DEDUCTION ALLOWED.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to additional itemized deductions for individuals) is amended by redesignating section 222 as section 223 and by inserting after section 221 the following:

''SEC. 222. HIGHER EDUCATION EXPENSES.

''(a) ALLOWANCE OF DEDUCTION.—

''(1) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction an amount equal to the applicable dollar amount of the qualified tuition and related expenses paid by the taxpayer during the taxable year.

''(2) APPLICABLE DOLLAR AMOUNT.—The applicable dollar amount for any taxable year shall be determined as follows:

''Taxable year:	Applicable dollar amount:
2002	$5,000
2003 and thereafter	$10,000.

''(b) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

''(1) IN GENERAL.—The amount which would (but for this subsection) be taken into account under subsection (a) shall be reduced (but not below zero) by the amount determined under paragraph (2).

''(2) AMOUNT OF REDUCTION.—The amount determined under this paragraph equals the amount which bears the same ratio to the amount which would be so taken into account as—

''(A) the excess of—

''(i) the taxpayer's modified adjusted gross income for such taxable year, over

''(ii) $50,000 ($100,000 in the case of a joint return), bears to

''(B) $10,000 ($20,000 in the case of a joint return).

''(3) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this subsection, the term 'modified adjusted gross income' means the adjusted gross income of the taxpayer for the taxable year determined without regard to this section and sections 911, 931, and 933.

''(4) ADJUSTMENTS FOR INFLATION.—

''(A) IN GENERAL.—In the case of a taxable year beginning after 2001, the $50,000 and $100,000 amounts in paragraph (2)(A)(ii) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(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.

''(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a multiple of $1,000, such amount shall be rounded to the next lowest multiple of $1,000.

''(c) QUALIFIED TUITION AND RELATED EXPENSES.—For purposes of this section, the term 'qualified tuition and related expenses' has the meaning given such term by section 25A(f)(1) (determined with regard to section 25A(c)(2)(B)).

''(d) SPECIAL RULES.—

''(1) IDENTIFICATION REQUIREMENT.—No deduction shall be allowed under subsection (a) to a taxpayer with respect to the qualified tuition and related expenses of an individual unless the taxpayer includes the name and taxpayer identification number of such individual on the return of tax for the taxable year.

''(2) NO DOUBLE BENEFIT.—

''(A) IN GENERAL.—No deduction shall be allowed under subsection (a) for any expense for which a deduction is allowable to the taxpayer under any other provision of this chapter unless the taxpayer irrevocably waives his right to the deduction of such expense under such other provision.

''(B) DENIAL OF DEDUCTION TO THE EXTENT CREDIT IS ELECTED.—No deduction shall be allowed under subsection (a) for a taxable year with respect to the qualified tuition and related expenses of an individual to the extent the taxpayer elects to have section 25A apply with respect to such expenses for such year.

''(C) DEPENDENTS.—No deduction shall be allowed under subsection (a) to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

''(D) COORDINATION WITH EXCLUSIONS.—A deduction shall be allowed under subsection (a) for qualified tuition and related expenses only to the extent the amount of such expenses exceeds the amount excludable under section 135 or 530(d)(2) for the taxable year.

''(3) LIMITATION ON TAXABLE YEAR OF DEDUCTION.—

''(A) IN GENERAL.—A deduction shall be allowed under subsection (a) for qualified tuition and related expenses for any taxable year only to the extent such expenses are in connection with enrollment at an institution of higher education during the taxable year.

''(B) CERTAIN PREPAYMENTS ALLOWED.—Subparagraph (A) shall not apply to qualified tuition and related expenses paid during a taxable year if such expenses are in connection with an academic term beginning during such taxable year or during the first 3 months of the next taxable year.

''(4) ADJUSTMENT FOR CERTAIN SCHOLARSHIPS AND VETERANS BENEFITS.—The amount of qualified tuition and related expenses otherwise taken into account under subsection (a) with respect to the education of an individual shall be reduced (before the application of subsection (b)) by the sum of the amounts received with respect to such individual for the taxable year as—

''(A) a qualified scholarship which under section 117 is not includable in gross income,

''(B) an educational assistance allowance under chapter 30, 31, 32, 34, or 35 of title 38, United States Code, or

''(C) a payment (other than a gift, bequest, devise, or inheritance within the meaning of section 102(a) or needs-based aid received under part A of title IV of the Higher Education Act of 1965) for educational expenses, or attributable to enrollment at an eligible educational institution, which is exempt from income taxation by any law of the United States.

''(5) NO DEDUCTION FOR MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—If the taxpayer is a married individual (within the meaning of section 7703), this section shall apply only if the taxpayer and the taxpayer's spouse file a joint return for the taxable year.

''(6) NONRESIDENT ALIENS.—If the taxpayer is a nonresident alien individual for any portion of the taxable year, this section shall apply only if such individual is treated as a resident alien of the United States for purposes of this chapter by reason of an election under subsection (g) or (h) of section 6013.

''(7) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including regulations requiring recordkeeping and information reporting.''.

(b) DEDUCTION ALLOWED IN COMPUTING ADJUSTED GROSS INCOME.—Section 62(a) of the Internal Revenue Code of 1986 is amended by inserting after paragraph (17) the following:

''(18) HIGHER EDUCATION EXPENSES.—The deduction allowed by section 222.''.

(c) CONFORMING AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the item relating to section 222 and inserting the following:

''Sec. 222. Higher education expenses.

''Sec. 223. Cross reference.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to expenses paid after December 31, 2001 (in taxable years ending after such date), for education furnished in academic periods beginning after such date.

SEC. 3. EXPANSION OF LIFETIME LEARNING CREDIT.

(a) IN GENERAL.—Section 25A(c)(1) of the Internal Revenue Code of 1986 (relating to lifetime learning credit) is amended by striking ''20 percent'' and inserting ''28 percent''.

(b) INCREASE IN AGI LIMITS.—

(1) IN GENERAL.—Subsection (d) of section 25A of the Internal Revenue Code of 1986 is amended to read as follows:

''(d) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

''(1) HOPE CREDIT.—

''(A) IN GENERAL.—The amount which would (but for this subsection) be taken into account under subsection (a)(1) shall be reduced (but not below zero) by the amount determined under subparagraph (B).

''(B) AMOUNT OF REDUCTION.—The amount determined under this subparagraph equals the amount which bears the same ratio to the amount which would be so taken into account as—

''(i) the excess of—

''(I) the taxpayer's modified adjusted gross income for such taxable year, over

''(II) $40,000 ($80,000 in the case of a joint return), bears to

''(ii) $10,000 ($20,000 in the case of a joint return).

''(2) LIFETIME LEARNING CREDIT.—

''(A) IN GENERAL.—The amount which would (but for this subsection) be taken into account under subsection (a)(2) shall be reduced (but not below zero) by the amount determined under subparagraph (B).

''(B) AMOUNT OF REDUCTION.—The amount determined under this subparagraph equals the amount which bears the same ratio to

the amount which would be so taken into account as—

''(i) the excess of—

''(I) the taxpayer's modified adjusted gross income for such taxable year, over

''(II) $50,000 ($100,000 in the case of a joint return), bears to

''(ii) $10,000 ($20,000 in the case of a joint return).

''(3) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this subsection, the term 'modified adjusted gross income' means the adjusted gross income of the taxpayer for the taxable year increased by any amount excluded from gross income under section 911, 931, or 933.''.

(2) CONFORMING AMENDMENT.—Section 25A(h)(2)(A) of such Code is amended by striking ''subsection (d)(2)'' and inserting ''subsection (d)(1)(B) and the $50,000 and $100,000 amounts in subsection (d)(2)(B)''.

(c) USE OF CERTAIN NEEDS-BASED AID FOR QUALIFIED EXPENSES.—Section 25A(g)(2)(C) of the Internal Revenue Code of 1986 (relating to adjustment for certain scholarships , etc.) is amended by inserting ''or needs-based aid received under part A of title IV of the Higher Education Act of 1965'' after ''section 102(a)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to expenses paid after December 31, 2001 (in taxable years ending after such date), for education furnished in academic periods beginning after such date.

SEC. 4. EXPANSION OF STUDENT LOAN INTEREST DEDUCTION.

(a) PER STUDENT BASIS.—

(1) IN GENERAL.—Section 221(b)(1) of the Internal Revenue Code of 1986 (relating to maximum deduction) is amended by inserting ''with respect to qualified education loans of each eligible student'' after ''paragraph (2),''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply with respect to any loan interest paid after December 31, 2001, in taxable years ending after such date.

(b) ELIMINATION OF 60-MONTH LIMIT.—

(1) IN GENERAL.—Section 221 of the Internal Revenue Code of 1986 (relating to interest on education loans) is amended by striking subsection (d) and by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively.

(2) CONFORMING AMENDMENT.—Section 6050S(e) of such Code is amended by striking ''section 221(e)(1)'' and inserting ''section 221(d)(1)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to any loan interest paid after December 31, 2001, in taxable years ending after such date.

(c) INCREASE IN INCOME LIMITATION.—

(1) IN GENERAL.—Section 221(b)(2)(B) of the Internal Revenue Code of 1986 (relating to amount of reduction) is amended by striking clauses (i) and (ii) and inserting the following:

''(i) the excess of—

''(I) the taxpayer's modified adjusted gross income for such taxable year, over

''(II) $40,000 ($80,000 in the case of a joint return), bears to

''(ii) $15,000 ($20,000 in the case of a joint return).''.

(2) CONFORMING AMENDMENT.—Section 221(g)(1) of such Code is amended by striking ''$60,000'' and inserting ''$80,000''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after December 31, 2001.

SEC. 5. PELL GRANTS.

Section 401(b)(2)(A) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b)(2)(A)) is amended—

(1) in clause (iii), by striking ''$5,100'' and inserting ''$5,800''; and

(2) in clause (iv), by striking ''$5,400'' and inserting ''$5,800''.

By Mr. FRIST (for himself, Mr. BREAUX, and Mr. JEFFORDS):

S. 889. A bill to protect consumers in managed care plans and in other health coverage; to the Committee on Health, Education, Labor, and Pensions.

Mr. FRIST. Mr. President, I rise today on behalf of my colleagues Senator BREAUX and Senator JEFFORDS to introduce the Bipartisan Patients' Bill of Rights Act of 2001. This new, balanced patients' rights initiative truly represents a bipartisan breakthrough in this ongoing debate.

For over 5 years, we have been engaged in debate about how best to protect patients in managed care plans. The time for debate and discussion is over. We need to act and to move forward to make progress on this issue in this Congress.

The legislation we are introducing today is designed to do just that. It builds upon, incorporates, and refines the best ideas that have been put forth by both Republicans and Democrats over the past few years. I'd like to particularly acknowledge the work of Senator NICKLES, Senator KENNEDY, and Senator JEFFORDS. And of Representative NORWOOD, Representative DINGELL, Representative THOMAS, Representative BOEHNER, Representative SHADEGG, and Speaker HASTERT.

Importantly, the legislation we are introducing today meets the principles the President outlined earlier this year, and can be signed into law. Patients have waited far too long for these needed protections.

As a physician, I am particularly gratified that the legislation we are introducing is being supported by a wide range of groups representing physicians and providers, including the American College of Surgeons, the Society of Thoracic Surgeons, the American College of Cardiology, the American Society of Anesthesiologists, the American Society for Gastrointestinal Endoscopy, the American Society of Clinical Pathologists, the American Academy of Dermatology Association, the American Association of Orthopaedic Surgeons, the American Association of Neurological Surgeons, the American Urological Association, the American Society of Clinical Pathologists, the American College of Emergency Physicians, the American Society of Cataract and Refractive Surgery, the American Psychological Association, and the American Physical Therapy Association.

As others review the details of this legislation, I hope and expect that support will continue to grow.

Let me briefly outline the highlights of our legislation.

The Bipartisan Patients' Bill of Rights Act of 2001 protects all Americans in private health plans. At the same time, it gives deference to the states by allowing state managed care laws to continue in force so long as they are consistent with our principles.

The bill also includes a comprehensive set of patient protections. For example, it guarantees emergency coverage under a ''prudent layperson'' standard. It guarantees direct access for women to OB/GYNs, and allows patients to choose a pediatrician as their child's primary health care provider. The legislation also bans so-called ''gag clauses'' in health plan contracts; prohibits discrimination against health professionals based solely on their license, guarantees access to needed prescription drugs that are not part of a health plan's formulary; and contains many other important protections.

Because one of the best ways to improve our health care system is to make sure consumers are fully informed, the Bipartisan Patients' Bill of Rights Act of 2001 also requires health plans to disclose to enrollees extensive information about their health coverage, including providing information about the new Federal rights they will be guaranteed as a result of this legislation.

The heart of the legislation is a new, independent, impartial external medical review to make sure patients can get the care they need when they need it. The independent review in our bill will help ensure that qualified doctors, not health plans, will make medical decisions.

Importantly, the legislation includes new, expanded remedies to hold health plans accountable in federal court. As I have often said, litigation should be a last resort. But when patients have been harmed by a health plan delay or denial of care, or where a plan refuses to comply with an external review decision, patients should be allowed to enforce those rights in Federal court.

For the first time under our legislation, patients will be able to sue for monetary damages in federal court. Economic damages are unlimited. Noneconomic damages are capped at $500,000.

In addition, patients can go to court at any time to get the health benefits they need through injunctive relief if going through the internal or external review process would cause them irreparable harm.

While we provide important new federal legal rights, we do not preempt the progress states have made. Our bill expressly protects state HMO liability laws and state court jurisdiction over malpractice cases against HMOs where health plans are making ''treatment'' or ''health care delivery'' decisions.

During this time of rapidly rising health care costs, Congress must be extremely careful to protect employers who voluntarily sponsor health coverage for over one hundred million Americans from the increased risk of litigation simply for offering their employees coverage. Our bill accomplishes this by giving employers the statutory right to appoint insurance carriers or third-party administrators who are

making coverage decisions as ''designated decision makers'' who may be sued in federal court.

Finally, the Bipartisan Patients' Bill of Rights Act of 2001 ensures that treating physicians and health professionals are not subject to new, expanded liability. We make clear that doctors who are providing care or treatment directly to patients cannot be ''designated decision makers'' unless they agree in writing to do so and meet the bill's strict solvency and financial requirements.

Let me again thank my cosponsors, Senators BREAUX and JEFFORDS, for their hard work on this legislation. And let me also express my gratitude to the patient and provider groups who have endorsed our legislation.

I believe this legislation can gather even more support over time, and become a vehicle for breaking through the gridlock and partisan divisions that have prevented us from making progress during the past 5 years on this issue. I look forward to working with my colleagues to ensure that we pass a bill that the President can sign into law to guarantee patients the protections they need.

I ask unanimous consent that a summary of the legislation be printed in the RECORD.

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

BIPARTISAN PATIENTS' BILL OF RIGHTS ACT OF 2001—SUMMARY

Today, Senators Bill Frist (R–TN), John Breaux (D–LA), and James Jeffords (R–VT) introduced the first bipartisan managed care reform legislation in the 107th Congress that meets the patient protection principles outlined by President Bush in February of this year.

The ''Bipartisan Patients' Bill of Rights Act of 2001'' guarantees that all Americans covered by private health plans will be protected through a new comprehensive, common-sense set of patient protections guaranteed by federal law. This centrist proposal builds upon and incorporates the best elements of the patients' rights legislation developed during the past two Congresses by both Republicans and Democrats.

The Bipartisan Patients' Bill of Rights Act will ensure that all Americans covered by private health plans get the care they need and deserve by guaranteeing access to medical specialists, emergency care, needed prescription drugs, point-of-service coverage, and coverage for clinical trials. Patients will be guaranteed access to important information about their health coverage. Doctors, not health plans, will make medical decisions. And, for the first time, all Americans will be able to appeal health plan coverage denials to independent doctors to get rapid, unbiased decisions. Unlike other managed care reform proposals before Congress this year, the bipartisan Frist-Breaux-Jeffords bill will not unnecessarily drive up consumers' health care costs, threaten employers who do not make medical decisions with costly and unnecessary lawsuits, or add significant bureaucratic red tape to the private health care system.

All the protections in the Frist-Breaux-Jeffords bipartisan ''Patients' Bill of Rights Act'' apply to all 170 million Americans covered by private-sector group health plans, and fully-insured state and local government plans.

At the same time, the legislation recognizes that the federal government does not have all the answers. States will play the primary role in enforcing the bill's requirements with respect to health insurers and will have flexibility to apply for certification from the Secretary of Health and Human Services (HHS) that their laws are consistent with the patient protection requirements in the bill. A federal advisory board would evaluate state-passed consumer protections under this standard and make recommendations to the Secretary of HHS.

If a state does not have a law, or adopt a law, consistent with the new federal requirements, federal fall-back legislation would apply. In this case, the U.S. Department of Labor, DOL, would enforce the requirement for fully-insured group health plans, about 75 million people, and HHS would enforce the provision in the individual insurance market, about 22 million people, and for fully-insured state and local government plans, roughly 17 million people. DOL will enforce all the Act's provisions with respect to self-insured private group health plans (roughly 56 million people).

The Bipartisan Patients' Bill of Rights Act of 2001 includes a comprehensive set of commonsense protections to ensure that patients have access to the care, treatment, and information they need.

Patients can go the nearest hospital emergency room to get the emergency care they need regardless of whether the emergency room is in their health plan's network.

Employers that offer only closed panel health plans will be required to offer a point-of-service coverage options to their workers.

Health plans that offer obstetrician/gynecological services must provide women with direct access to an OB/GYN specialist for OB/GYN covered services.

Health plans must allow patients to choose a pediatrician as their child's primary health care provider.

When a health care provider is terminated or leaves a health plan's network, the plan must ensure that patients with serious and complex illnesses, and those who are receiving institutional care, may continue treatment with their health care provider for up to 90 days. Health plans also must guarantee that women can continue care with their OB/GYN through post-pregnancy care, and for the remainder of an individual's life in the case of a patient who is terminally ill.

Health plans that provide prescription drugs through a formulary must ensure that physicians and pharmacists help develop and review the formulary. They also must ensure that patients have access to medically-necessary prescription medications that are not part of the formulary.

Health plans must ensure that patients receive timely access to specialty medical care when needed. If a plan lacks an appropriate specialist within its network, the plan must guarantee access to a specialist outside the network at no additional cost to the patient.

Health plans are required to cover routine patient costs associated with participation in approved clinical trials for patients who have life-threatening or serious illnesses for which no standard treatment is effective.

Patients who need medical advice should not have to worry that their doctor will be prohibited by a health plan contract from discussing all possible treatment options. Therefore, the legislation bans so-called ''gag rules'' in providers' contracts and otherwise prevents health plans from restricting health care professionals from communicating with their patients about treatment options.

Health plans may not exclude doctors and other health professionals from providing services that are covered by the plan based solely on a health professional's license or certification.

Health plans must ensure inpatient coverage for the surgical treatment of breast cancer for a period of time determined by a doctor, in consultation with the patient.

Health plans must disclose the methods they use for compensating health care professionals and providers. In addition, a comprehensive study is authorized to determine the range of provider compensation methods and evaluate the effect of such methods on provider behavior.

Health plans are required, on an annual basis, to provide a wide range of information to enrollees about the plan's coverage, including detailed descriptions of benefits and cost-sharing requirements.

To ensure that patients' health care claims are handled fairly from the outset, the legislation contains new rules governing health plans' timing and handling of initial and internal claims. Plans are required to expedite determinations where appropriate.

The time frames are as follows: Routine Prior Authorization: 14 business days; Expedited Prior Authorization: 72 hours; Concurrent Review: 24 hours.

When health plans deny patients coverage based on a determination that the care is not medically necessary or appropriate, or that the treatment is experimental or investigational, or where a claim for coverage requires an evaluation of medical facts, the Bipartisan Patients' Bill of Rights Act guarantees patients access to timely independent medical review.

The legislation requires external medical review decisions to be made by physicians and health care professionals independent of the health plan who practice in a similar specialty as the physician or professional who recommended the care in the first place. In making a decision, independent medical reviewers must take into account all appropriate and available information, including scientific and clinical evidence. Determinations are to be made without deference to the plan's coverage decision and reviewers are not bound by the plan's definitions of medical necessity or experimental/investigational. Independent medical reviewers' decisions are binding on health plans; plans must provide coverage in accordance with the recommendations and time frames established by the independent medical reviewer.

If a plan fails to comply with the decision of an independent medical reviewer and a patient is harmed, the legislation provides new, expanded legal remedies to hold health plans accountable in federal court.

A new, exclusive federal legal remedy that provides monetary damages will be available to participants and beneficiaries in employer-sponsored health plans. This remedy is available when an external medical reviewer overturns the plan's decision and the patient is harmed because the plan failed to exercise ordinary care in complying with the external review decision. The new remedy also allows lawsuits in federal court when health plans fail to exercise ordinary care in denying coverage initially or upon internal review, resulting in a harmful delay of coverage.

Patients must exhaust the external review process before seeking damages in federal court. However, they may go to court at any time to receive injunctive relief, i.e., the court can require the health plan to approve needed care, if they demonstrate that exhausting internal or external review would cause irreparable harm. Patients who are harmed by a plan's failure to exercise ordinary care may receive unlimited economic damages in federal court. They also may be awarded non-economic damages up to $500,000.

At the same time, the legislation retains the current law distinction with respect to remedies in the areas that the courts have determined are traditional areas of state concern, such as the ''quality of health care'' and ''treatment'' standards. The bill respects and reinforces state court jurisdiction over quality of care and treatment claims by expressly stating that any harm resulting from treatment and health care delivery activities will continue to be subject to state law remedies.

When a patient files an appeal and the external reviewer determines that the appeal is not subject to independent medical review, a federal court may assess a civil penalty up to $100,000 when the denial causes substantial harm to the patient.

The Frist-Breaux-Jeffords legislation protects employers who do not make medical decisions from lawsuits. The legislation gives employers statutory authority to designate a party or parties, such as the insurance carrier or the third-party administrator that will have clear and exclusive authority to make determinations that give rise to legal causes of action. In a fully insured group health plan, this ''designated decision-maker'' is always the insurance carrier, unless the employer expressly takes back responsibility from the carrier. Designated decision-makers must demonstrate that they can fulfill their responsibilities, including financial obligations that stem from liability, by obtaining liability insurance or by meeting certain capital and surplus requirements.

The Frist-Breaux-Jeffords legislation also helps protect doctors and other health professionals from new, expanded federal liability by expressly providing that health care professionals who directly deliver care or treatment, or who provide services to patients, can not be sued for coverage decisions as designated decision-makers unless they expressly agree in writing to be the designated decision-maker and meet the bill's strict financial requirements. Further, insurance companies may not appoint treating health professionals as designated decision-makers under the bill.

Mr. JEFFORDS. Mr. President, today, I am pleased to join with Senators BILL FRIST and JOHN BREAUX in introducing the Bipartisan Patients' Bill of Rights Act of 2001, bipartisan managed care reform legislation that meets the patient protection principles outlined by President Bush for a bill he would sign into law. The President's strong support for our legislation is proof that he is providing the necessary leadership to bring Republicans and Democrats to the table to develop managed care protections for all Americans.

Some believe that the answer to improving our Nation's health care quality is to allow greater access to the State's tort system. However, you simply cannot sue your way to better health. Rather, we believe that patients must get the care they need when they need it. Under the Bipartisan Patient Bill of Rights patients have access to an independent external medical review process for denials of care. Decisions are made by practicing physicians or professionals, independent of the plan. Prevention, not litigation, is the best medicine.

A new Federal remedy that provides damages will be available to Americans in employer-sponsored health plans when an external review entity overturns the plan's decision and the patient is harmed. Employers who do not make medical decisions are protected from frivolous and unnecessary lawsuits by enabling them to legally designate a party that will have clear and exclusive authority to make coverage determinations.

Our Bipartisan Patients' Bill of Rights Act of 2001 has much in common with the managed care legislation introduced by Senators MCCAIN, EDWARDS and KENNEDY. They share provisions that provide new patient protections. Each provides for information to assist consumers in navigating the health care system. Most importantly, the bills provide for an internal and external independent review process with strong new remedies when the external view process fails. Our primary area of disagreement lies in the degree that employers are protected from multiple causes of action in multiple venues and the provision of a reasonable cap on damages.

Fortunately, I believe we can provide the key protections that consumers want at a minimal cost and without disruption of coverage, if we apply these protections responsibly and where they are needed, without adding significant new costs, increasing litigation, and micro-managing health plans.

Our goal is to give Americans the protections they want and need in a package that they can afford and that we can enact. This is why I believe the Bipartisan Patients' Bill of Rights Act of 2001 represents true managed care protections that can be signed into law.

By Mr. MCCAIN (for himself, Mr. LIEBERMAN, Mr. SCHUMER, Mr. DEWINE, and Mr. CARPER):

S. 890. A bill to require criminal background checks on all firearms transactions occurring at events that provide a venue for the sale, offer for sale, transfer, or exchange of firearms, and to provide additional resources for gun crime enforcement; to the Committee on the Judiciary.

Mr. MCCAIN. Mr. President, I rise today to introduce legislation to finally close what has become known as the ''gun show loophole'' and provide more resources to prosecute violations of gun laws. This bill, ''The Gun Show Loophole Closing and Gun Law Enforcement Act of 2001,'' stops criminals from evading a background check while respecting the rights of individuals who enjoy attending and purchasing firearms at public gun show events and helps puts criminals who use guns behind bars. I am pleased to have as cosponsors Senators LIEBERMAN, SCHUMER, DEWINE, and CARPER.

Since the Brady law went into effect, Federal law requires anyone buying a gun at a gun store to undergo a background check, but the law does not apply to private individuals selling guns, such as at gun shows. At gun shows, both licensed and unlicensed gun sellers offer guns for sale. At tables operated by licensed dealers, buyers must go through a background check; at tables operated by private sellers federal law requires no background check, and 32 states do not require such checks either.

Criminals and gun traffickers have figured this out. Gun shows are the second leading source of illegal guns recovered in gun trafficking investigations. According to a recent report by Americans for Gun Safety, ''the states that do not require background checks at gun shows are flooding the rest of the nation with crime guns.'' While 95 percent of buyers are cleared within two hours, the 5 percent who are not are 20 times more likely to be a prohibited purchaser. Background checks are an essential part of keeping guns from criminals and other prohibited individuals.

This gun show bill will require background checks at each of the 4,500 gun shows that occur every year. It does so in a way that is balanced and protects the rights of those who enjoy gun shows. It is the first gun safety legislation that is genuinely bipartisan and it is the only bill that creates real incentives for states to improve their criminal history records in order to make the National Instant Check System, NICS, faster and more accurate. And this bill contains no provisions that are designed to hurt legitimate gun show business.

This bill eliminates the confusing definition of previous bills and defines a gun show as any event where at least 75 guns are available for sale. This bill corrects a flaw in previous bills and excludes from background checks the sale of a gun either from the seller's home or to an immediate family member.

The sticking point in previous failed gun show bills was over the maximum time allowed to complete a background check: 3 business days, which is current law for licensed dealers, or a shorter time due to the transience of gun shows.

This bill creates an innovative compromise. For the first three years after the bill becomes law, it extends current law to gun shows: 3 business days. But after three years, states may apply for a waiver from the U.S. Attorney General to reduce the maximum wait to conclude a background check for sales between unlicensed individuals at gun shows to 24 hours, but only when that state has automated its records may a waiver be granted so that a shortened time period won't allow criminals and other illegal buyers to get guns. It creates accountability so that states can only receive this waiver when at least 95 percent of their disqualifying records dating back 30 years are computerized.

During the first three years, three business days is the maximum time it can take to run a check for unlicensed sellers. If, after those three business

days the buyer has not been denied, he or she can purchase the gun. It is not a waiting period; if you clear the system, you immediately get your gun. If, after three years, a state has sufficiently computerized their records, 24 hours is the new maximum time it can take to run a check for unlicensed sellers.

Background checks do not hurt gun show business in any way. For example, Pennsylvania currently requires background checks for all gun sales and hosts the second most gun shows in the Nation, hundreds every year. And unlike previous bills, this bill creates no new onerous reporting requirements for gun sales at gun shows but requires only the same paperwork required for gun sales from a licensed gun store.

This bill will reduce crime by providing for tougher enforcement of current gun laws. This bill adds new ATF agents and gun crime prosecutors, expands Project Exile, calls for more resources for gun tracing and more research into new ''smart gun'' technologies, and provides much needed money for states to automate their records.

Recently, the States of Oregon and Colorado overwhelmingly passed statewide referenda closing the gun show loophole. I wholeheartedly supported those efforts. Given the overwhelming support that the people of these two states provided to closing the gun show loophole, I think it is time that we have a national requirement for background checks for all sales at gun shows. In the end, it will require parity between gun stores and gun shows, help stop criminals from getting guns on the black market, reduce the interstate trafficking of guns, and will not harm gun show operators.

I do not view my stance on the gun show loophole as inconsistent with my twenty-year long Congressional voting record on gun-related issues. I will always be a strong defender of law-abiding Americans' Second Amendment rights, but with rights, come responsibilities. And we have a responsibility to help keep guns out of the hands of criminals while protecting the rights of honest, law-abiding citizens.

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. 890

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 ''Gun Show Loophole Closing and Gun Law Enforcement Act of 2001''.

TITLE I—GUN SHOW LOOPHOLE CLOSING ACT OF 2001

SEC. 101. SHORT TITLE.

This title may be cited as the ''Gun Show Loophole Closing Act of 2001''.

SEC. 102. DEFINITIONS.

Section 921(a) of title 18, United States Code, is amended by adding at the end the following:

''(35) SPECIAL FIREARMS EVENT.—The term 'special firearms event'—

''(A) means any event at which 75 or more firearms are offered or exhibited for sale or exchange, if 1 or more of the firearms has been shipped or transported in, or otherwise affects, interstate or foreign commerce; and

''(B) does not include an offer or exhibit of firearms for sale or exchange by an individual from the personal collection of that individual, at the private residence of that individual, if the individual is not required to be licensed under sections 923 and 931.

''(36) SPECIAL FIREARMS EVENT FREQUENT OPERATOR.—The term 'special firearms event frequent operator' means any person who operates 2 or more special firearms events in a 6 month period.

''(37) SPECIAL FIREARMS EVENT INFREQUENT OPERATOR.—The term 'special firearms event infrequent operator' means any person who operates not more than 1 special firearms event in a 6 month period.

''(38) SPECIAL FIREARMS EVENT LICENSEE.—The term 'special firearms event licensee' means any person who has obtained and holds a valid license in compliance with section 931(d) and who is authorized to contact the national instant criminal background check system on behalf of another individual who is not licensed under this chapter for the purpose of conducting a background check for a potential firearms transfer at a special firearms event in accordance with section 931(c).

''(39) SPECIAL FIREARMS EVENT VENDOR.—The term 'special firearms event vendor' means any person who is not required to be licensed under section 923, who exhibits, sells, offers for sale, transfers, or exchanges 1 or more firearms at a special firearms event, regardless of whether or not the person arranges with the special firearms event promoter for a fixed location from which to exhibit, sell, offer for sale, transfer, or exchange 1 or more firearms.''.

SEC. 103. REGULATION OF FIREARMS TRANSFERS AT SPECIAL FIREARMS EVENTS.

(a) IN GENERAL.—Chapter 44 of title 18, United States Code, is amended by adding at the end the following:

''§ 931. Regulation of firearms transfers at special firearms events

''(a) SPECIAL FIREARMS EVENT OPERATORS.—

''(1) REGISTRATION OF SPECIAL FIREARMS EVENT OPERATORS.—

''(A) IN GENERAL.—It shall be unlawful for any person to operate a special firearms event unless that person registers with the Secretary in accordance with regulations promulgated by the Secretary.

''(B) FEES.—The Secretary shall be prohibited from imposing or collecting any fee from special firearms event operators in connection with the registration requirement in subparagraph (A).

''(2) RESPONSIBILITIES OF SPECIAL FIREARMS EVENTS FREQUENT OPERATORS.—It shall be unlawful for a special firearms events frequent operator to organize, plan, promote, or operate a special firearms event unless that operator—

''(A) has an annual operating license for special firearms events frequent operators issued by the Secretary pursuant to regulations promulgated by the Secretary;

''(B) not later than 30 days before commencement of the special firearms event, notifies the Secretary of the date, time, duration, and location of the special firearms event, the vendors planning to participate, and any other information concerning the special firearms event as the Secretary may require by regulation;

''(C) not later than 72 hours before commencement of the special firearms event, submits to the Secretary an updated list of all special firearms event vendors planning to participate, and any other information concerning such vendors as the Secretary may require by regulation;

''(D) before commencement of the special firearms event, or in the case of a vendor who arrives after the commencement of the event, upon the arrival of the vendor, verifies the identity of each special firearms event vendor participating in the special firearms event by examining a valid identification document (as defined in section 1028(d)(2)) of the vendor containing a photograph of the vendor;

''(E) before commencement of the special firearms event, or in the case of a vendor who arrives after the commencement of the event, upon the arrival of the vendor, requires each special firearms event vendor to sign—

''(i) a ledger with identifying information concerning the vendor; and

''(ii) a notice advising the vendor of the obligations of the vendor under this chapter;

''(F) notifies each person who attends the special firearms event of the requirements of this chapter, in accordance with such regulations as the Secretary shall prescribe;

''(G) not later than 5 days after the last day of the special firearms event, submits to the Secretary a copy of the ledger and notice described in subparagraph (E); and

''(H) maintains a copy of the records described in subparagraphs (C) through (E) at the permanent place of business of the operator for such period of time and in such form as the Secretary shall require by regulation.

''(3) RESPONSIBILITIES OF SPECIAL FIREARMS EVENTS INFREQUENT OPERATORS.—It shall be unlawful for a special firearms event infrequent operator to organize, plan, promote, or operate a special firearms event unless that person—

''(A) not later that 30 days before commencement of the special firearms event, notifies the Secretary of the date, time, duration, and location of the special firearms event;

''(B) not later than 72 hours before commencement of the special firearms event, submits to the Secretary a list of all special firearms event vendors planning to participate in the special firearms event and any other information concerning such vendors as the Secretary may require by regulation;

''(C) before commencement of the special firearms event, or in the case of a vendor who arrives after the commencement of the event, upon the arrival of the vendor, verifies the identity of each special firearms event vendor participating in the special firearms event by examining a valid identification document (as defined in section 1028(d)(2)) of the vendor containing a photograph of the vendor;

''(D) before commencement of the special firearms event, or in the case of a vendor who arrives after the commencement of the event, upon the arrival of the vendor, requires each special firearms event vendor to sign—

''(i) a ledger with identifying information concerning the vendor; and

''(ii) a notice advising the vendor of the obligations of the vendor under this chapter;

''(E) notifies each person who attends the special firearms event of the requirements of this chapter, in accordance with such regulations as the Secretary shall prescribe;

''(F) not later than 5 days after the last day of the special firearms event, submits to the Secretary a copy of the ledger and notice described in subparagraph (D); and

''(G) maintains a copy of the records described in subparagraphs (B) through (D) at the permanent place of business of the special firearms event promoter for such period

of time and in such form as the Secretary shall require by regulation.

''(b) RESPONSIBILITIES OF TRANSFERORS OTHER THAN LICENSEES.—

''(1) IN GENERAL.—If any part of a firearm transaction takes place at a special firearms event, or on the curtilage of the event, it shall be unlawful for any person who is not licensed under this chapter to transfer a firearm to another person who is not licensed under this chapter, unless the firearm is transferred through a licensed importer, licensed manufacturer, licensed dealer, or a special firearms event licensee in accordance with subsection (c).

''(2) CRIMINAL BACKGROUND CHECKS.—A person who is subject to the requirement of paragraph (1) shall not—

''(A) transfer the firearm to the transferee until the licensed importer, licensed manufacturer, licensed dealer, or a special firearms event licensee through which the transfer is made makes the notification described in subsection (c)(2)(A); or

''(B) transfer the firearm to the transferee if the person has been notified under subsection (c)(2)(B) that the transfer would violate section 922 or would violate State law.

''(3) ABSENCE OF RECORDKEEPING REQUIREMENTS.—Nothing in this section shall permit or authorize the Secretary to impose recordkeeping requirements on any nonlicensed special firearms event vendor.

''(c) RESPONSIBILITIES OF LICENSEES.—A licensed importer, licensed manufacturer, licensed dealer, or special firearms event licensee who agrees to assist a person who is not licensed under this chapter in carrying out the responsibilities of that person under subsection (b) with respect to the transfer of a firearm shall—

''(1) except as provided in paragraph (2), comply with section 922(t) as if transferring the firearm from the inventory of the licensed importer, licensed manufacturer, or licensed dealer to the designated transferee (although a licensed importer, licensed manufacturer, or licensed dealer complying with this subsection shall not be required to comply again with the requirements of section 922(t) in delivering the firearm to the nonlicensed transferor);

''(2) not later than 3 business days (meaning a day on which State offices are open), or if the event is held in a State that has been certified by the Attorney General under section 104 of the Gun Show Loophole Closing Act of 2001, not later than 24 hours (or 3 business days if additional information is required in order to verify disqualifying information from a State that has not been certified by the Attorney General) notify the nonlicensed transferor and the nonlicensed transferee—

''(A) of any response from the national criminal background check system, or if the licensee has had no response from the national criminal background check system within the time period set forth in paragraph (2), notify the nonlicensed transferor that no response has been received and that the transfer may proceed; and

''(B) of any receipt by the licensed importer, licensed manufacturer, or licensed dealer of a notification from the national instant criminal background check system that the transfer would violate section 922 or would violate State law;

''(3) in the case of a transfer of 2 or more firearms on a single day to a person other than a licensee, prepare a report of the multiple transfers, which report shall be—

''(A) on a form specified by the Secretary; and

''(B) not later than the close of business on the date on which the multiple transfer occurs, forwarded to—

''(i) the office specified on the form described in subparagraph (A); and

''(ii) the appropriate State law enforcement agency of the jurisdiction in which the transfer occurs; and

''(4) comply with all record keeping requirements under this chapter.

''(d) SPECIAL FIREARMS EVENT LICENSE.—

''(1) IN GENERAL.—The Secretary shall issue a special firearms event license to a person who submits an application for a special firearms event license in accordance with this subsection.

''(2) APPLICATION.—The application required by paragraph (1) shall be approved if—

''(A) the applicant is 21 years of age or over;

''(B) the application includes a photograph and the fingerprints of the applicant;

''(C) the applicant (including, in the case of a corporation, partnership, or association, any individual possessing, directly or indirectly, the power to direct or cause the direction of the management and policies of the corporation, partnership, or association) is not prohibited from transporting, shipping, or receiving firearms or ammunition in interstate or foreign commerce under subsection (g) or (n) of section 922;

''(D) the applicant has not willfully violated any of the provisions of this chapter or regulations issued thereunder;

''(E) the applicant has not willfully failed to disclose any material information required, or has not made any false statement as to any material fact, in connection with his application; and

''(F) the applicant certifies that—

''(i) the applicant meets the requirements of subparagraphs (A) through (D) of section 923(d)(1);

''(ii) the business to be conducted under the license is not prohibited by State or local law in the place where the licensed premises is located; and

''(iii) the business will not be conducted under the license until the requirements of State and local law applicable to the business have been met.

''(3) APPLICATION AND APPROVAL.—

''(A) IN GENERAL.—On approval of an application as provided in this subsection and payment by the applicant of a fee of $200 for 3 years, and upon renewal of valid registration a fee of $90 for 3 years, the Secretary shall issue to the applicant an instant check registration, and advise the Attorney General of that registration.

''(B) NICS.—A special firearms licensee may contact the national instant criminal background check system established under section 103 of the Brady Handgun Violence Prevention Act (18 U.S.C. 922 note) for information about any individual desiring to obtain a firearm at a gun show from any special firearms event vendor who has requested the assistance of the registrant in complying with subsection (c) with respect to the transfer of the firearm, during the 3-year period that begins with the date the registration is issued.

''(4) REQUIREMENTS.—The requirements for a special firearms event licensee shall not exceed the requirements for a licensed dealer and the record keeping requirements shall be the same.

''(5) RESTRICTIONS.—

''(A) BACKGROUND CHECKS.—A special firearms event licensee may have access to the national instant criminal background check system to conduct a background check only at a special firearms event and only on behalf of another person.

''(B) TRANSFER OF FIREARMS.—A special firearms event licensee shall not transfer a firearm at a special firearms event.

''(e) FIREARM TRANSACTION DEFINED.—In this section, the term 'firearm transaction'—

''(1) includes the sale, offer for sale, transfer, or exchange of a firearm; and

''(2) does not include—

''(A) the mere exhibition of a firearm; or

''(B) the sale, transfer, or exchange of firearms between immediate family, including parents, children, siblings, grandparents, and grandchildren.''.

(b) PENALTIES.—Section 924(a) of title 18, United States Code, is amended by adding at the end the following:

''(7)(A)(i) Whoever knowingly violates section 931(a)(1) shall be—

''(I) fined under this title, imprisoned not more than 2 years, or both; and

''(II) in the case of a second or subsequent conviction, such person shall be fined under this title, imprisoned not more than 5 years, or both.

''(ii) Whoever knowingly violates section 931(a)(2) shall be fined under this title, imprisoned not more than 5 years, or both.

''(iii) Whoever knowingly violates section 931(a)(3) shall be fined under this title, imprisoned not more than 2 years, or both.

''(B) Whoever knowingly violates section 931(b) shall be—

''(i) fined under this title, imprisoned not more than 2 years, or both; and

''(ii) in the case of a second or subsequent conviction, such person shall be fined under this title, imprisoned not more than 5 years, or both.

''(C) Whoever knowingly violates section 931(c) shall be fined under this title, imprisoned not more than 5 years, or both.

''(D) In addition to any other penalties imposed under this paragraph, the Secretary may, with respect to any person who violates any provision of section 931—

''(i) if the person is registered pursuant to section 931(a), after notice and opportunity for a hearing, suspend for not more than 6 months or revoke the registration of that person under section 931(a); and

''(ii) impose a civil fine in an amount equal to not more than $10,000.''.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—Chapter 44 of title 18, United States Code, is amended in the chapter analysis, by adding at the end the following:

''931. Regulation of firearms transfers at special firearms events.''.

SEC. 104. OPTION FOR 24-HOUR BACKGROUND CHECKS AT SPECIAL FIREARMS EVENTS FOR STATES WITH COMPUTERIZED DISQUALIFYING RECORDS AND PROGRAMS TO IMPROVE STATE DATABASES.

(a) OPTION FOR 24-HOUR REQUIREMENT.—

(1) IN GENERAL.—Effective 3 years after the date of enactment of this Act, a State may apply to the Attorney General for certification of the 24-hour verification authority of that State.

(2) CERTIFICATION.—The Attorney General shall certify a State for 24-hour verification authority only upon a clear showing by the State that not less than 95 percent of all records containing information that would disqualify an individual under subsections (g) and (n) of section 922 of title 18, United States Code, or under State law, is available on computer records in the State, and is searchable under the national instant criminal background check system established under section 103 of the Brady Handgun Violence Prevention Act (18 U.S.C. 922 note).

(3) DISQUALIFYING INFORMATION.—Such disqualifying information shall include, at a minimum, the disqualifying records for that State going back 30 years from the date of application to the Attorney General for certification.

(4) 24-HOUR PROVISION.—Upon certification by the Attorney General, the 24-hour provision in section 931(c)(2) of title 18, United States Code, shall apply to the verification

process (for transfers between unlicensed persons) in that State unless additional information is required in order to verify disqualifying information from a State that has not been certified by the Attorney General, in which case the 3 business day limit shall apply.

(5) ANNUAL REVIEW.—The Attorney General shall annually review and revoke for any State not in compliance the certification required in the amendment made by paragraph (1).

(b) PRIORITY.—The Attorney General shall give priority to background check requests at special firearms events made pursuant to section 931 of title 18, United States Code, as added by this Act.

(c) STUDY.—Not later than 180 days after the date of enactment of this Act, the Attorney General shall identify and report to Congress the reasons for delays in background checks at the Federal and State levels and include recommendations for eliminating those delays.

(d) GRANT PROGRAM.—

(1) IN GENERAL.—The Attorney General is authorized to make grants to States to assist in the computerization of the criminal conviction records and other disqualifying records of that State and with other issues facing States that want to apply for certification under section 104(a) of this title.

(2) AUTHORIZATION.—There are authorized to be appropriated such sums as are necessary for fiscal years 2002 through 2004 to carry out this subsection.

SEC. 105. INSPECTION AUTHORITY.

Section 923(g)(1)(B), of title 18, United States Code, is amended by striking ''or licensed dealer'' and inserting ''licensed dealer, or special firearms event operator''.

SEC. 106. INCREASED PENALTIES FOR SERIOUS RECORDKEEPING VIOLATIONS BY LICENSEES.

Section 924(a)(3) of title 18, United States Code, is amended to read as follows:

''(3)(A) Except as provided in subparagraph (B), any licensed dealer, licensed importer, licensed manufacturer, licensed collector, or special firearms event licensee who knowingly makes any false statement or representation with respect to the information required by this chapter to be kept in the records of a person licensed under this chapter, or violates section 922(m) shall be fined under this title, imprisoned not more than 1 year, or both.

''(B) If the violation described in subparagraph (A) is in relation to an offense—

''(i) under paragraph (1) or (3) of section 922(b), such person shall be fined under this title, imprisoned not more than 5 years, or both; or

''(ii) under subsection (a)(6) or (d) of section 922, such person shall be fined under this title, imprisoned not more than 10 years, or both.''.

SEC. 107. INCREASED PENALTIES FOR VIOLATIONS OF CRIMINAL BACKGROUND CHECK REQUIREMENTS.

Section 924(a) of title 18, United States Code, is amended—

(1) in paragraph (5), by striking ''subsection (s) or (t) of section 922'' and inserting ''section 922(s)''; and

(2) by adding at the end the following:

''(8) Whoever knowingly violates section 922(t) shall be fined under this title, imprisoned not more than 5 years, or both.''.

SEC. 108. RULE OF INTERPRETATION.

A provision of State law is not inconsistent with this title or an amendment made by this title if the provision imposes a regulation or prohibition of greater scope or a penalty of greater severity than any prohibition or penalty imposed by this title or an amendment made by this title.

SEC. 109. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect 180 days after the date of enactment of this Act.

TITLE II—GUN LAW ENFORCEMENT ACT OF 2001

SEC. 201. SHORT TITLE.

This title may be cited as the ''Gun Law Enforcement Act of 2001''.

SEC. 202. STATE AND LOCAL GUN CRIME PROSECUTORS.

(a) PURPOSE.—The purpose of this section is to—

(1) provide funding for State and local prosecutors to focus on gun prosecutions in high gun crime areas; and

(2) double funding for such programs from fiscal year 2001 to 2002.

(b) AUTHORIZATION.—There are authorized to be appropriated $150,000,000 for fiscal year 2002 to the Attorney General to provide grants to States and units of local government to support prosecutions in high gun crime areas by State and local prosecutors.

SEC. 203. NATIONAL PROJECT EXILE.

(a) PURPOSE.—The purpose of this section is to provide funding to replicate the success of the Project EXILE program.

(b) AUTHORIZATION.—There are authorized to be appropriated $20,000,000 for fiscal year 2002 to the Attorney General to provide for additional Assistant United States Attorneys to establish not to exceed 100 Project EXILE programs with local United States Attorneys and local jurisdictions.

(c) MEDIA AWARENESS.—From amounts authorized by subsection (b), the Attorney General may provide funds to participating local jurisdictions.

SEC. 204. FUNDING FOR ADDITIONAL ATF AGENTS.

There are authorized to be appropriated $18,000,000 for fiscal year 2002 to the Secretary of the Treasury for the purpose of funding the hiring of an additional 200 agents for the Bureau of Alcohol, Tobacco, and Firearms.

SEC. 205. GUN TRACING AND YOUTH CRIME GUN INTERDICTION.

There are authorized to be appropriated $20,000,000 for fiscal years 2002 through 2005 to the Secretary of the Treasury for the purpose of—

(1) funding additional resources for the Bureau of Alcohol, Tobacco, and Firearms to trace guns involved in gun crimes; and

(2) expanding the Youth Crime Gun Interdiction Initiative to 250 cities over the 4 years funding is authorized.

SEC. 206. SMART GUN TECHNOLOGY.

There are authorized to be appropriated $10,000,000 for fiscal year 2002 to the National Institute for Justice for the purpose of making grants to research entities developing technologies that limit the use of a gun to the owner.

SEC. 207. REPORT ON BRADY ENFORCEMENT.

Not later than February 1 of each year—

(1) the Attorney General shall report to Congress—

(A) the number of prosecutions resulting from background checks conducted pursuant to the Brady Handgun Violence Prevention Act;

(B) what barriers exist to prosecutions under that Act; and

(C) what steps could be taken to maximize prosecutions; and

(2) the Secretary of Treasury shall report to Congress—

(A) the number of investigations conducted pursuant to the Brady Handgun Violence Prevention Act;

(B) the number of investigations initiated but not pursued under that Act;

(C) the number of firearms retrieved as transferred in contravention of that Act; and

(D) what barriers exist to investigations under that Act.

Mr. LIEBERMAN. Mr. President, I am proud to join Senator MCCAIN, Senator DEWINE, Senator SCHUMER, and Senator CARPER in introducing this important legislation. This bill aims to build common ground on gun violence, a problem that has too often divided Members of Congress. And we are going to build that common ground on commonly held American values. As citizens of this great Democracy, we have rights and we have responsibilities. We have the right to own guns, but we have a responsibility not to sell them to criminals. That is the simple but important set of values on which the legislation we introduce today is founded.

For several decades, our nation has had a clear policy against allowing convicted felons to buy guns, because we know that mixing criminals and guns far too often yields violent results. Through the Brady law, we established what seems like an obvious corollary to that policy—a requirement that those selling guns determine whether someone trying to buy a firearm isn't supposed to get one before they sell it to them. The Brady law has been an enormous success. Since its enactment, background checks have kept well over half a million people who by law are not allowed to own guns from getting guns, saving an untold number of our citizens from the violence, injury or death the sale of many of these guns would have brought.

The Brady law, however, contained an unfortunate loophole that has since been exploited to allow convicted felons and other people who shouldn't own guns to evade the background check requirement by buying their guns at gun shows. The problem is that Brady applies only to Federal Firearms Licensees, so-called FFLs, people who are in the business of selling guns. Brady explicitly exempts from the background check requirement anyone ''who makes occasional sales, exchanges, or purchases of firearms for the enhancement of a personal collection or for a hobby, or who sells all or part of his personal collection of firearms.'' As a result, any person selling guns as a hobby or only occasionally, whether at a gun show, flea market or elsewhere, need not obtain a federal license and therefore has no obligation to conduct a background check. This means that any person wanting to avoid a background check can go to a gun show, find out which vendors are not FFLs, and buy a gun. And this is dangerous not only because it allows convicted felons and other prohibited persons to buy guns, but also because, in contrast to FFLs, non-FFLs have no obligation to keep records of the transaction, thereby depriving law enforcement of the ability to trace the gun if it later turns up at a crime scene.

Our bill will change that. We will make sure that no one will be able to buy a gun at a gun show without it

first being determined whether that person is a convicted felon or is a member of one of the other categories of people we all agree should not be allowed to buy guns.

Senator MCCAIN and I have heard the concerns expressed about past proposals to close the gun show loophole, and we have tried hard in our bill to make sure those concerns are addressed.

First, our bill has a simple definition of a gun show, an event where 75 or more guns are offered or exhibited for sale—and we make clear that that definition doesn't include sales from a private collection by nonlicensed sellers out of their homes.

Second, to respond to the argument that previous proposals made it too difficult for nonlicensed sellers to fulfill the background check requirement, our bill makes sure that nonlicensed sellers will have easy access to someone who can initiate background checks for them, by creating a new class of licensee whose sole purpose will be to initiate background checks at gun shows.

Third, we have tried to respond to those who say that a three-day check is too long for gun shows, because those events only last a couple of days. It is worth noting that the length allowed for the check doesn't affect the majority of gun purchasers, because 72 percent of checks are completed within 30 seconds and almost 95 percent are done within two hours. We have come up with a compromise that authorizes a State to move to a 24-hour check for nonlicensed dealers at gun shows—when the State can prove that a 24-hour check is feasible. A State can prove that by showing that 95 percent of the records that would disqualify people in that State from buying guns are computerized and searchable by the NICS system.

Now I know that there are many, including President Bush, who argue that what we need to solve the gun violence problem are not new laws but the enforcement of existing ones. I agree with part of that statement. Our bill authorizes significant increases in funding for a number of gun enforcement programs, including state and local gun crime prosecutors, Project Exile, additional ATF agents, gun tracing and smart gun technology. I am pleased that the President said yesterday that he supported a large chunk of what we are proposing today.

But I believe we must go farther than that, because we will never be able to enforce existing laws unless we close the loopholes in them that criminals exploit. And we all know that there is a big loophole in the provision saying that felons aren't supposed to buy guns, and that is that criminals know that if they go to a gun show, they will be able to avoid the background check that was set up to keep them from getting guns.

Gun crime remains a critical public safety problem. For too long, it has unnecessarily divided the Congress, and the American people have been left to suffer the violent consequences. But the reality is that most of us agree on most of the critical questions. We agree that the laws on the books should be enforced, that the rights of law-abiding gun owners should be protected, and that convicted felons shouldn't be able to get guns. The bill we are introducing today would write those principles into law. I hope all of my colleagues support it.

By Mr. DODD:

S. 891. A bill to amend the Truth in Lending Act with respect to extensions of credit to consumers under the age of 21; to the Committee on Banking, Housing, and Urban Affairs.

Mr. DODD. Mr. President, I rise today to introduce legislation designed to help avoid the growing problem of credit card indebtedness.

This legislation is fairly straightforward. It would not prohibit people younger than 21 from obtaining a credit card. It simply requires that when issuing credit cards to persons under the age of 21, the issuers obtain an application that contains: 1. the signature of a parent, guardian, or other qualified individual willing to take financial responsibility for the debt; or 2. information indicating that the young person has a job or some means of repaying any credit extended; or 3. proof that applicant has completed a certified credit counseling course.

One of the most troubling developments in the hotly contested battle between credit card issuers to sign up new customers has been the aggressive way in which they have targeted people under the age of 21, particularly college students.

Solicitations to this age group have become more intense for a variety of reasons. First, it is one of the few market segments in which there are always new customers to go after; every year, 25 to 30 percent of undergraduates are fresh faces entering their first year of college.

Second, it is also an age group in which brand loyalty can be readily established. In the words of one major credit card issuer: ''We are in the relationship business, and we want to build relationships early on.'' In fact, most people hold on to their first credit card for up to 15 years.

Many, if not most, credit card issuers exercise prudence in issuing cards to young people. But some credit card issuers do not. They target vulnerable young people in our society and extend them large amounts of credit with little if any consideration to whether or not there is a reasonable expectation of repayment. As a result, more and more young people are falling into a financial hole from which they were unable to escape.

Experts estimate that the current economic downturn could force a record 1.5 million Americans into bankruptcy this year. About a third of them will be in their 20s and early 30s. According to the American Bankruptcy Institute, just five years ago, only 1 percent of personal bankruptcies filed were by those age 25 or younger. By 1998, that number had risen to nearly 5 percent.

Financial regulators, including the Federal Reserve Board and the Federal Deposit Insurance Corporation, have stated that loans made without consideration of the borrower's ability to repay constitutes an ''unsafe and unsound'' business practice. They have criticized such lending practices as ''imprudent.'' Thus, an economic downturn coupled with ''imprudent'' lending practices could have a devastating effect not only on credit card consumers, but on financial institutions, as well.

The business practices of many credit card companies on college campuses are extremely troubling. Some credit card issuers actively entice colleges and universities to help promote their products. According to University of Houston Professor Robert Manning, during the next five years, banks will pay the largest 250 universities nearly $1 billion annually for exclusive marketing rights on campus.

A recent ''60 Minutes II'' piece vividly illustrated the impact that credit card debt can have on college students. A crew form the show, on a major public university campus, and with the use of hidden cameras, filmed vendors pushing free T-shirts, hats, and other enticements with credit card applications. ''60 Minutes II'' revealed that this university is being paid $13 million over ten years by a credit card company for the right to have a presence on campus and use the university logo on its cards.

This public university is making money off students who use these credit cards, the report said. As part of the agreement, the university receives 0.4 percent of each purchase made with the cards. In a sense, this university has a vested interest in getting their students in as much debt as possible.

The ''60 Minutes II'' piece also told the story of one student, Sean Moyer, and his desperate attempts to handle massive credit card debt. This student's life began to spin out of control as the huge debts he racked up in just three years of college began to become, in his mind, insurmountable. As a result of mounting credit card debts, he was unable to get loans to go to law school like he dreamed, and his parents could not afford to pay his way. So in February 1998, Sean took his own life.

''It is obscene that the university is making money off the suffering of their students,'' said Sean Moyer's mother. Sean Moyer had 12 credit cards and more than $10,000 in debts when he committed suicide nearly three years ago, she related. He had two jobs: one at the library and another as a security guard at a local hotel, but he still could not pay his collectors, she said.

Even three years after her son's death, she still gets pre-approved credit

card offers in Sean's name from some of the same companies that he owed thousands of dollars. One company preapproved Sean for a $100,000 credit line, she said.

Last Congress, I went to the main campus of the University of Connecticut to meet with student leaders about this issue; quite honestly, I was surprised at the amount of solicitations going on in the student union. I was even more surprised at the degree to which the students themselves were concerned about the constant barrage of offers they were receiving.

These offers seem very attractive. One student intern in my office received four solicitations in just two weeks, one promised ''eight cheap flights while you still have 18 weeks of vacation.'' Another promised a platinum card with what appeared to be a low interest rate, until one reads in the fine print that it applied only to balance transfers, not to the account overall. Only one of the four offered a brochure about credit terms but, in doing so, also offered a ''spring break sweepstakes.''

Last year, the Chicago Tribune reported that the average college freshman will receive 50 solicitations during their ''first few months'' at college. It further reported that ''college students get green-lighted for a line of credit that can reach more than $10,000, just on the strength of a signature and a student ID.''

There is a serious public policy question about whether people in this age bracket can be presumed to be able to make the sensible financial choices that are being forced upon them from this barrage of marketing.

While it is very difficult to get reliable information from credit card issuers about their marketing practices to people under the age of 21, the statistics that are available are disconcerting.

Nellie Mae, a major student loan provider in New England, conducted a recent survey of the students who had applied for student loans. It termed the results ''alarming.'' The study found: 78 percent of all undergraduate students have a least one credit card—up from 67 percent in 1998; of those students, the average credit card balance is $2,748, up from $1,879 in 1998; and 32 percent of undergraduates had four or more credit cards.

Some college administrators, bucking the trend to use credit card issuers as a source of income, have become so concerned that they have banned credit card companies from their campuses, and have even gone so far as to ban credit card advertisements from the campus bookstore. Recently, colleges around the nation, ranging from New York's SUNY Buffalo to Georgia Tech in Atlanta, have begun to ban the marketing of credit cards on their campuses.

Let me touch on an important component of this amendment—credit counseling. Much as we encourage children who reach driving age to take drivers' education courses to prevent automobile accidents, we should teach younger consumers the basics of credit to avoid financial wrecks. Educating our nation's youth about the responsibilities of financial management is critical, and we do not currently do a good enough job in this area.

While there is overwhelming evidence that student debt is skyrocketing, most surveys also show that this same group of consumers is woefully uninformed about basic credit card terms and issues.

According to the Jump$tart Coalition for Personal Financial Literacy, a nonprofit group which conducts an annual national survey on high school seniors' knowledge of personal finance, basic financial skills are even poorer today than they were three years ago.

I agree with those who argue that there are many millions of people under the age of 21 who hold full time jobs and are as deserving of credit as anyone over the age of 21. I also agree that students should continue to have access to credit and that we should not try to prohibit the market from making that credit available.

However, the period of time from 18 to 21 is an age of transition from adolescence to adulthood. As we do in many other places in the federal law, some extra care is needed to make sure that mistakes made from youthful inexperience do not haunt these young people for the rest of their lives.

Federal law already says that people under the age of 21 shouldn't drink alcohol. Our tax code makes the presumption that if someone is a full-time student under the age of 23, they are financially dependent on their parents or guardians.

Is it so much to ask that credit card issuers find out if someone under the age of 21 is financially capable of paying back the debt? Or that their parents are willing to assume financial responsibility? Or that they understand the nature and conditions of the debt they are incurring?

Many responsible credit card issuers already require this information in one form or another. Is it too much to ask that the entire credit card industry strive to meet their own best practices when it comes to our kids?

Providing fair access to credit is something I have fought for throughout my tenure in the United States Senate. And credit cards play a valuable role in assisting in their pursuit of the American dream. I do not believe that this legislation is either unduly burdensome on the credit card industry or unfair to people under the age of 21.

The fact of the matter is that excessive solicitations assume that if the young adult is unable to pay, they will be bailed out by their parents. Many times this means that parents must sacrifice other things in order to make sure that their child does not start out their adult life in a financial hole or with an ugly black mark on their credit history.

This measure is critical to ensuring that credit cards are both issued and used responsibly. I urge my colleagues to support this important legislation.

I ask unanimous consent that the text of the bill, a letter of endorsement from Consumers Union, the Consumer Federation of America, and the U.S. Public Interest Research Group, as well as referenced newspaper articles be printed in the RECORD.

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

S. 891

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 ''Underage Consumer Credit Protection Act of 2001''.

SEC. 2. EXTENSIONS OF CREDIT TO UNDERAGE CONSUMERS.

Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

''(6) APPLICATIONS FROM UNDERAGE CONSUMERS.—

''(A) PROHIBITION ON ISSUANCE.—No credit card may be issued to, or open end credit plan established on behalf of, a consumer who has not attained the age of 21, unless the consumer has submitted a written application to the card issuer that meets the requirements of subparagraph (B).

''(B) APPLICATION REQUIREMENTS.—An application to open a credit card account by an individual who has not attained the age of 21 as of the date of submission of the application shall require—

''(i) the signature of the parent, legal guardian, or spouse of the consumer, or any other individual having a means to repay debts incurred by the consumer in connection with the account, indicating joint liability for debts incurred by the consumer in connection with the account before the consumer has attained the age of 21;

''(ii) submission by the consumer of financial information indicating an independent means of repaying any obligation arising from the proposed extension of credit in connection with the account; or

''(iii) proof by the consumer that the consumer has completed a credit counseling course of instruction by a nonprofit budget and credit counseling agency approved by the Board for such purpose.

''(C) MINIMUM REQUIREMENTS FOR COUNSELING AGENCIES.—To be approved by the Board under subparagraph (B)(iii), a credit counseling agency shall, at a minimum—

''(i) be a nonprofit budget and credit counseling agency, the majority of the board of directors of which—

''(I) is not employed by the agency; and

''(II) will not directly or indirectly benefit financially from the outcome of a credit counseling session;

''(ii) if a fee is charged for counseling services, charge a reasonable fee, and provide services without regard to ability to pay the fee; and

''(iii) provide trained counselors who receive no commissions or bonuses based on referrals, and demonstrate adequate experience and background in providing credit counseling.''.

SEC. 3. REGULATORY AUTHORITY.

The Board of Governors of the Federal Reserve System may issue such rules or publish such model forms as it considers necessary to carry out section 127(c)(6) of the Truth in Lending Act, as added by this Act.

CONSUMER FEDERATION OF AMERICA
May 14, 2001.

DEAR SENATOR DODD: Consumers Union, the Consumer Federation of America, and U.S. Public Interest Research Group support the Underage Consumer Credit Protection Act of 2001 that addresses the growing problem of credit card debt among young Americans.

Your bill would require that a credit card issuer undertake reasonable steps to verify that students have the means to repay their credit card debts. In the alternative, a credit card could be issued to a student who completes a credit-counseling course. This is a reasonable approach—to protect the safety and soundness of financial institutions and help American's youth who every day face aggressive marketing tactics from the credit industry.

According to bank regulatory agencies, including the Federal Reserve Board and the Federal Deposit Insurance Corporation, making loans without any regard for the borrower's ability to repay, as card issuers do with college students, is ''unsafe and unsound.'' The regulators have criticized such lending practices as ''imprudent.'' The student loan corporation, Nellie Mae, said in a recent report that the increase in the number of students having a credit card includes students who would not have been given credit cards in past year, certainly not without a co-signer. The report also pointed to the need for counseling students at the front end—before the student obtains a credit card. Nellie Mae found that: Some students unwittingly accumulate credit card debt, not consciously planning ahead whether they can afford to borrow that sum, and not aware of the actual finance charges they will pay over time. Having a card doesn't necessarily indicate knowledge about the ramifications of borrowing in general; nor does it show that the student has evaluated the benefit and costs of borrowing with a credit card vs. other types of financing. Without assistance, these students may not have the know-how to borrow wisely on the front end.

The credit card industry has targeted America's youth with relentless marketing ploys and tactics that seem designed to drive those students into debt. According to Nellie Mae, more than 70 percent of undergraduates possess at least one credit card. The average debt for undergraduates who do not pay off their bill every month is more than $2,000. Many students end up dropping out of school under the weight of such debt. Congress should respond to this growing crisis on college campuses. And the problem could get worse as high school students are also receiving credit card offers.

Many colleges and universities not only permit aggressive credit card marketing on campus; they actually benefit financially from this marketing. Credit card issuers pay institutions for sponsorship of school programs, for support of student activities, for rental of on-campus solicitation tables, and for exclusive marketing agreements, such as college ''affinity'' cards.

Congress should require lending institutions to act in a safe and sound manner by verifying that the person to whom that credit card issuer is extending credit has the ability to repay. In the absence of acting in a safe and sound manner, the least that could be done is to give student's some of the tools that could be useful in avoiding financial trouble through credit counseling at the front end. The Senate should pass the Underage Consumer Credit Protection Act to preserve the soundness of our financial institutions and help America's youth handle the aggressive credit card industry practices.

FRANK TORRES,
Consumers Union.

TRAVIS PLUNKETT,
Consumer Federation of America.
ED MIERZWINSKI,
U.S. Public Interest Research Group.

[From the Chicago Tribune, May 7, 1999]

CHARGED WITH TEACHING YOUNG PEOPLE TO SAVE; EDUCATIONAL CAMPAIGN ATTEMPTS TO GIVE STUDENTS BASIC FINANCIAL SURVIVAL SKILLS, INCLUDING HANDLING CREDIT

(By Humberto Cruz)

It should come as no surprise. Forty percent of American students between the ages of 16 and 22 said they are likely to buy a pair of jeans or something similar they ''really'' like even if they are short of money.

And 22 percent would pay for it with a credit card.

But then, isn't that what they see their parents do? Deeper in debt then ever before, Americans owe a record $565 billion on credit cards, or more than $7,000 per balance-revolving household, based on figures from the Federal Reserve.

''We have an economy that encourages people to borrow and spend more than they have,'' said Dallas L. Salisbury, chairman and CEO of the American Savings Education Council in Washington, D.C.

Salisbury is talking about the barrage directed at all of us to spend, spend, spend. The enticing offers to sign up for home-equity loans greater than the value of our homes. The culture of instant gratification that demands that if you want something you get it now, and damn the consequences.

''We need to teach our kids very early on how skeptical they should be of this type of thing,'' Salisbury said. ''And how dangerous it is to get yourself buried in debt.''

Reaching young people is the goal for the coming year of the ''Facts on Savings and Investing'' campaign, launched in 1998 by a national partnership of government agencies, securities regulators and business, education and consumer groups.

''We asked ourselves what our priorities should be, and one thing that has come down loud and clear is the necessity to get many people to start saving early,'' said Salisbury, who is also president and CEO of the Employee Benefit Research Institute in Washington.

As part of the campaign, the savings council and the institute released a ''Youth & Money'' survey of 560 high school and 440 college students conducted by the research firm Mathew Greenwald & Associates.

The survey found that most students feel confident they understand financial matters. But their behavior suggests they don't know nearly as much as they think, and that many are falling into bad habits.

For example, less than half save at least something whenever they receive money or get paid, only 23 percent draw up a monthly budget and stick to it, and 28 percent of those with credit cards roll over debt month after month.

Perhaps more telling, one-fourth of the students who think they do a good job of managing their money do not think regular savings is a very high priority, when in fact it should be.

And 25 percent of the students with credit cards who say they do a good job of managing their money roll over debt every month, one of the worst financial habits anybody can have.

''One has to presume they are influenced just by watching their parents,'' Salisbury said. ''They end up 'learning' things they would be better off not to learn.''

But if parents can't or won't help, what is the solution? The survey showed an overwhelming majority of students, or 94 percent, go first to their parents for financial information and advice. Only 21 percent had taken a financial education course in school, although 62 percent had the chance to do so.

Among those who did, 41 percent said they began saving, 28 percent said they increased their savings, 28 percent said they invested their savings differently, and 19 percent said they developed a budget. The Youth & Money survey, however, questions whether the students actually changed their behavior as opposed to just saying they did.

Still, Salisbury is among a big majority of Americans—count me in, too—who believe financial education should be mandatory in high school. A recent nationwide survey by the National Council on Economic Education found that 96 percent of adults believe basic economics should be a required part of the high school curriculum.

Currently, 38 of the 50 states have adopted guidelines for teaching economics in high school, but only 16 mandate that schools offer a course and just 13 require that students take the course. Even in those states, more needs to be done, and is being done, to train teachers and incorporate more basic financial literacy concepts in the course.

''They all should do it,'' Salisbury said. ''If we require students to take English and to take history to graduate, we should require that they learn basic financial survival skills.''

If they all did, maybe the students could then educate their parents on the basics of budgeting and handling credit. Then saving and investing would not be a subject that 30 percent of parents never discuss with their children, according to the Youth & Money survey.

''What's most effective is for students to take what they learn in school about finance and discuss it with their parents,'' said Paul Yakoboski, director of research for the savings council.

TEENS ABLE TO CALCULATE HOW SAVINGS CAN ADD UP

Would you shell out $4,700 for a pair of sneakers? How about $2,800 for a computer game or $300 for a fast-food meal?

The sums may sound outlandishly high, but that is how much a 13-year-old could save if he invested for retirement, rather than spending $75 for a pair of sneakers, $45 for a computer game and $5 for a fast-food meal, according to ''AIE Savings Calculator,'' which was launched recently on the Web at www.investoreducation.org by the non-profit Alliance for Investor Education.

The calculator allows a child to enter his or her age, a typical purchase or any dollar amount, and then see how much the money might be worth if it was invested for 10 years, 25 years and to the age of retirement. The calculator is based on an 8 percent annual rate of growth, a stock market average in recent years.

[From USA Today, Feb. 13, 2001]

DEBT SMOTHERS YOUNG AMERICANS

(By Christine Dugas)

For many living in a world of easy credit, digging out of debt can become a way of life: 18- to 35-year-olds often live paycheck to paycheck, using credit for restaurant meals and high-tech toys. A news study says the average undergrad now owes $2,748 on credit cards.

As a freshman at the University of Houston in 1995, Jennifer Massey signed up for a credit card and got a free T-shirt. A year later, she had piled up about $20,000 on debt on 14 credit cards.

Paige Hall, 34, returned from her honeymoon in 1997 to find herself laid off from her

job at a mortgage company in Atlanta. She was out of work for 4 months. She and her husband, Kevin, soon were trying to figure out how to pay $18,200 in bills from their wedding, honeymoon and furnishings for their new home.

By the time Mistie Medendorp was 29, she had $10,000 in credit card debt and $12,000 in student loans.

Like no other generation, today's 18- to 35-year-olds have grown up with a culture of debt—a product of easy credit, a booming economy and expensive lifestyles.

They often live paycheck to paycheck and use credit cards and loans to finance restaurant meals, high-tech toys and new cars that they couldn't otherwise afford, according to market researchers, debt counselors and consumer advocates.

''Lenders are much more willing to take a risk on people under 25 than they were 15 years ago,'' says Nina Prikazsky, a vice president at student loan corporation Nellie Mae. ''They will give out credit cards based on a college student's expected ability to repay the bills.''

Young people are taking advantage of the offers. A study out today from Nellie Mae shows that the average credit card debt among undergraduate students increased by nearly $1,000 in the past two years. On average, they owed $2,748 last year, up from $1,879 in 1998.

At a time when they could be setting aside money for a down payment on a home, many young people are mortgaging their financial future. Instead of getting a head start on saving for retirement, they are spending years digging themselves out of debt.

''I knew for a while that I had a problem. I wouldn't say I was living high on the hog, but when I wanted clothes, I'd buy a new outfit,'' says Medendorp, an Atlanta resident. ''I'd go out to eat and charge it on my cards. There were a bunch of small expenses that added up and got out of control.''

Massey, Hall and Medendorp each ended up seeking help from a local consumer credit counseling service. Hundreds of thousands more young people like them are turning to credit counseling or bankruptcy because they can no longer juggle their bills.

In 1999 alone, an estimated 461,000 Americans younger than 35 sought protection from their creditors in bankruptcy, up from about 380,000 in 1991, according to Harvard Law School professor Elizabeth Warren, principal researcher in a national survey of debtors who filed for bankruptcy.

At the Consumer Credit Counseling Service of Greater Denver, more than half of all the clients are 18 to 35 years old, says Darrin Sandoval, director of operations. On average, they have 30% more debt than all other age groups, he says.

''By the time they begin to settle into a suburban lifestyle, they are barely able to meet their debt obligations,'' Sandoval says. ''If there is a job loss, an unexpected medical expense or the birth of a child, they supplement their income with credit cards. Soon they are being financially crushed.''

DEBT HEADS

Unlike the baby boom generation—raised by Depression-era parents—young Americans today are often unfazed by the amount of debt they carry.

''This generation has lived through a time when everything was on the upswing,'' says J. Walker Smith, president of Yankelovich Partners, a market research firm. ''There is no sense of worry about being over-leveraged. It all seems to work out.''

Kevin Jackson, a 32-year-old software engineer in Denver, has about $8,000 in credit card debt and a $20,000 home-equity loan. He doesn't believe he has a debt problem, though his goal is to reduce his credit card balance to $2,000.

''You learn to live with a certain amount of debt,'' he says. ''It's a means to an end. There is something to be said for paying for everything and something to be said for enjoying life, as long as you do it responsibly.''

Unfortunately, enjoying life can be expensive, especially for many young Americans who feel it is essential to have the latest high-tech products and services, such as a cellphone, pager, voice mail, a computer with a second phone line or a DSL connection, an Internet service provider and a Palm Pilot.

Jackson just bought a DVD player and a big-screen TV. ''I try to control costs,'' he says. ''I easily could have spent $5,000 on the TV, but instead I paid $2,000 and I got a one-year, no-interest deal.''

Movies, TV shows and advertising only reinforce the idea that young people are entitled to have an affluent lifestyle. ''We're encouraged to overspend,'' says Jason Anthony, 31, co-author of Debt-free by 30, a book he wrote with a friend after they found themselves drowning in debt.

''We all see shows like Melrose Place and Beverly Hills 90210. It creates tremendous pressure to keep up. I'm one of the few persons who think a recession will be good for my generation. Our expectations are so elevated. In the frenzy to keep up, we've gotten into financial trouble,'' he says.

THE PERILS OF PLASTIC

Consumers like Massey, who get bogged down in credit card debt before they even graduate from college, learn the hard way about managing money. Now 24 and married, Massey has a good job in marketing. She has cut up her credit cards and is gradually repaying her debts. However, there have been consequences: She had to explain to her boss that because she no longer has a credit card, she cannot travel for work if it involves renting a car or booking a hotel reservation on her own. She had to tell her husband about her debt problems before they were married.

''I lack confidence now,'' Massey says. ''I'm hard on myself because of my mistakes. But I blame the credit card companies and the university for allowing them to promote the cards on campus without educating students about credit.''

The percentage of undergraduate college students with a credit card jumped from 67% in 1998 to 78% last year, according to the Nellie Mae study. And many of them are filing their wallets with cards. Last year, 32% said they had four or more cards, up from 27% two years earlier.

Although graduate students have an even bigger appetite for credit, they are starting to show signs of restraint. Their average debt declined slightly from $4,925 in 1998 to $4,776 last year, Nellie Mae says.

Many young people will be saddled with credit card debts for years, experts say. Among all age groups, credit card holders younger than 35 are the least likely to pay their bills in full each month, according to Robert Manning, author of Credit Card Nation.

Though credit cards and uncontrolled spending are a combustible combination, many young people are pushed to the financial edge by the staggering cost of college. The average annual tuition at a four-year private university jumped to $16,332 last year from $7,207 in 1980, according to the College Board. Between 1991 and 2000, the average student loan burden among households under 35 inreased nearly 142% to $15,700, according to an exclusive analysis of the finances of 18- to 34-year-olds for USA TODAY by Claritas, a market research firm based in San Diego.

Those who choose to go on and get a graduate degree pay an even higher price. Another Nellie Mae study found that those who borrow for graduate work, and specifically those in expensive professional programs in law and medicine, are likely to have unusually high debt burdens that are not always offset by comparably high salaries.

Karen Mann didn't need a survey to come to that conclusion. Her husband, Michael, is about to start his career as an orthopedic surgeon after racking up $400,000 in loans during four years of undergraduate school, four years of medical school, one year in an MBA program and a 5-year residency program.

During his residency and a subsequent fellowship, payments and some of the interest on his student loan have been deferred. Soon they'll have to begin paying them off.

The interest payment alone is $20,000 a year.

The Manns are not extravagant, ''I've always saved, and I have a budget,'' says Karen, 31. ''I'd love to buy a house, but there's no way. We haven't been able to afford kids yet. The loans are so awesome that you do get crazy.''

PAYING FOR EVERYTHING WITH CASH

The Manns are not alone in having to defer important goals because of heavy debt loads. Medendorp, a social worker in Decatur, Ga., lives on a budget and is diligently paying her bills with the help of a Consumer Credit Counseling Service debt-management plan. She pays for everything with cash. There are many things she'd like to do but can't afford, such as having laser eye surgery, going back to school and buying a home.

''When you get in a tar pit, forget about buying a home,'' author Anthony says. ''Instead of saving for a down payment, you're making credit card payments.''

At a time when the overall U.S. homeownership rate has risen to historic highs, young Americans are less likely than people their age 10 years ago to buy a home. The homeownership rate for heads of households younger than 35 had declined from 41.2% in 1982 to 39.7% in 1999, according to the Census Bureau. And if they own a home, young people tend to make smaller down payments or borrow against what equity they have. As a result, the average amount of equity accumulated by homeowners younger than 35 has shrunk to about $49,200 in 1999, from $57,100 10 years earlier, according to a study from the Consumer Federation of America.

''For middle-income Americans, the most important form of private savings is home equity,'' says Stephen Brobeck, executive director of the Consumer Federation of America. ''It's essential to have paid off a mortgage by retirement so that living expenses are lower and one has an asset that can be borrowed on or sold if necessary.''

By almost every measure, young people are falling behind. Between 1995 and 1998, the median net worth of families rose for all age groups except for the under-35 group. Their median net worth declined from $12,700 to $9,000, according to the Federal Reserve.

That is not to say that young people today are slackers and deadbeats, as they have sometimes been characterized. Many work hard and often make good incomes. Although they may have a lot of debt, they also are very focused on saving and investing, especially through 401(k)-type retirement accounts. Jackson, for example, contributes the maximum to his 401(k) plan.

''They want to protect themselves against future uncertainty,'' Smith says. ''They absolutely don't expect that Social Security will be around for them.''

But it's hard to save money if you are head over heels in debt. Massey earns $32,000 a

year. With her husband, their annual income is more than $100,000. ''But we're still broke trying to pay our bills,'' she says.

By Mr. HARKIN:

S. 892. A bill to amend the Clean Air Act to phase out the use of methyl tertiary butyl ether in fuels of fuel additives, to promote the use of renewable fuels, and for other purposes; to the Committee on Environment and Public Works.

Mr. HARKIN. Mr. President, I am introducing today legislation designed to address the extensive problems that have been caused by the gasoline additive methyl tertiary butyl ether, MTBE, to make appropriate revisions to the reformulated gasoline, RFG, program in the Clean Air Act, and to increase greatly the use of renewable motor vehicle fuels. The bill is similar to legislation I introduced in the previous Congress.

We have to get MTBE out of our gasoline. This is absolutely clear. Even in Iowa, where we are not required to have oxygenated fuels or RFG, a recent survey found a surprising level of water contamination with MTBE. So my legislation requires a phased reduction in the use of MTBE in motor fuel and then a prohibition of MTBE in fuel or fuel additives beginning three years after enactment.

My legislation recognizes the benefits that have been provided by the oxygen content requirement in the reformulated gasoline program. Oxygen added to gasoline reduces emissions of carbon monoxide, toxic compounds and fine particulate matter. So my legislation continues the oxygen content requirement, but it would allow, in certain circumstances upon a proper showing, averaging of the oxygen content requirement over a period of time up to a year.

The legislation also ensures that all health benefits of the reformulated gasoline program are maintained and improved, and includes very strong provisions to ensure that there is no backsliding in air quality and health benefits from cleaner burning reformulated gasoline. The petroleum companies would also be prohibited from taking the pollutants from gasoline in some areas and putting them back into gasoline in other areas of the country that are not subject to the more stringent air quality standards. Those are referred to as the anti-dumping protections. My bill places tighter restrictions on highly polluting aromatic and olefin content of reformulated gasoline.

My legislation also recognizes the important role of renewable fuels in improving our environment, building energy security for out nation, and increasing farm income, economic growth and job creation, especially in rural areas. The legislation creates a national renewable content requirement for motor vehicle fuel. The requirement would not be a mandate that any particular user of gasoline or diesel fuel has to use the renewable fuel, but it would require the petroleum industry to ensure that renewable fuels make up a certain minimum percentage of the total U.S. supply of motor vehicle fuel, gasoline and diesel fuel. By 2011, that percentage would be about 5 percent on a volume basis, 3.3 percent based on energy content or approximately 10 billion gallons based on current estimates of gasoline and diesel consumption.

Overall, this legislation will get MTBE out of gasoline, maintain and improve the air quality and health benefits of the reformulated gasoline program and the Clean Air Act, and put our nation on a solid path toward greater use of renewable fuels.

I urge my colleagues to support this important legislation.

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. 892

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 ''Clean and Renewable Fuels Act of 2001''.

SEC. 2. USE AND CLEANUP OF METHYL TERTIARY BUTYL ETHER.

(a) IN GENERAL.—Section 211(c) of the Clean Air Act (42 U.S.C. 7545(c)) is amended by adding at the end the following:

''(5) PROHIBITION ON METHYL TERTIARY BUTYL ETHER AND OTHER ETHER COMPOUNDS.—

''(A) SPECIFIED NONATTAINMENT AREAS.—

''(i) IN GENERAL.—Effective beginning January 1, 2002, a person shall not sell or dispense to ultimate consumers any fuel or fuel additive containing methyl tertiary butyl ether in an area of the United States other than an area described in clause (ii).

''(ii) AREAS.—An area described in this clause is an area that is a specified nonattainment area—

''(I) that is required to meet the oxygen content requirement for reformulated gasoline established under subsection (k); and

''(II) in which methyl tertiary butyl ether was used to meet the oxygen content requirement before January 1, 2001.

''(B) INTERIM PERIOD OF USE OF MTBE IN A FUEL OR FUEL ADDITIVE.—

''(i) PHASED REDUCTION.—

''(I) IN GENERAL.—The Administrator shall promulgate regulations to require—

''(aa) during the 1-year period beginning on the date that is 1 year after the date of enactment of this paragraph, a ⅓ reduction in the quantity of methyl tertiary butyl ether that may be sold or dispensed for use in a fuel or fuel additive;

''(bb) during the 1-year period beginning on the date that is 2 years after the date of enactment of this paragraph, a ⅔ reduction in the quantity of methyl tertiary butyl ether that may be sold or dispensed for use in a fuel or fuel additive; and

''(cc) that in no area does the quantity of methyl tertiary butyl ether sold or dispensed for use in a fuel or fuel additive increase.

''(II) BASIS FOR REDUCTIONS.—Reductions under subclause (I) shall be based on the quantity of methyl tertiary butyl ether sold or dispensed for use in a fuel or fuel additive in the United States during the 1-year period ending on the date of enactment of this paragraph.

''(III) EQUITABLE TREATMENT.—The regulations promulgated by the Administrator under subclause (I) shall, to the maximum extent practicable, provide equitable treatment—

''(aa) on a geographical basis; and

''(bb) among fuel manufacturers, refiners, distributors, and retailers.

''(IV) TRADING OF AUTHORIZATIONS TO SELL OR DISPENSE MTBE.—To facilitate the most orderly and efficient reduction in the use of methyl tertiary butyl ether in a fuel or fuel additive, the regulations promulgated by the Administrator under subclause (I) may allow for persons subject to the regulations to sell to and purchase from each other authorizations to sell or dispense methyl tertiary butyl ether for use in a fuel or fuel additive.

''(ii) LABELING.—

''(I) IN GENERAL.—The Administrator shall promulgate regulations that require any person selling or dispensing gasoline that contains methyl tertiary butyl ether at retail prominently to label the gasoline dispensing system for the gasoline with a notice—

''(aa) stating that the gasoline contains methyl tertiary butyl ether; and

''(bb) providing such information concerning the human health and environmental risks associated with methyl tertiary butyl ether as the Administrator determines to be appropriate.

''(II) PERIOD OF EFFECTIVENESS.—The regulations promulgated under subclause (I) shall be effective during the period—

''(aa) beginning as soon as practicable, but not later than 60 days, after the date of enactment of this paragraph; and

''(bb) ending on the date that is 3 years after the date of enactment of this paragraph.

''(C) PROHIBITION ON USE OF MTBE IN A FUEL OR FUEL ADDITIVE.—Effective beginning on the date that is 3 years after the date of enactment of this paragraph, a person shall not manufacture, introduce into commerce, offer for sale, sell, or dispense a fuel or fuel additive containing methyl tertiary butyl ether or any other ether compound.

''(D) WAIVER.—The Administrator may by regulation waive the prohibition under subparagraph (C) with respect to an ether compound other than methyl tertiary butyl ether if the Administrator determines that the use of the ether compound in a fuel or fuel additive will not pose a significant risk to human health or the environment.

''(E) AREAS OF MTBE CONTAMINATION.—If the Administrator finds that methyl tertiary butyl ether is contaminating or posing a substantial risk of contamination of soil, ground water, or surface water in an area, the Administrator may take such action as is necessary to protect human health and the environment in the area, including requiring a more rapid reduction (including immediate termination) of the quantity of methyl tertiary butyl ether sold or dispensed for use in a fuel or fuel additive in the area than required under subparagraph (A) or (B).

''(F) STATE AUTHORITY TO REGULATE MTBE.—Notwithstanding any other provision of law, a State may impose such restrictions, including a prohibition, on the manufacture, sale, or use of methyl tertiary butyl ether in a fuel or fuel additive as the State determines to be appropriate to protect human health and the environment.''.

(b) REMEDIAL ACTION CONCERNING MTBE CONTAMINATION.—

(1) UNDERGROUND STORAGE TANKS.—Section 9003(h) of the Solid Waste Disposal Act (42 U.S.C. 6991b(h)) is amended by striking paragraph (3) and inserting the following:

''(3) PRIORITY.—In carrying out a corrective action under this subsection, or in issuing an order that requires an owner or operator to carry out a corrective action under this subsection, the Administrator (or

a State under paragraph (7)) shall give priority to a release of petroleum from an underground storage tank that poses the greatest threat to human health, human welfare, and the environment.''.

(2) CLEANUP GUIDELINES.—Section 1442 of the Safe Drinking Water Act (42 U.S.C. 300j–1) is amended by adding at the end the following:

''(f) CLEANUP GUIDELINES FOR MTBE.—

''(1) IN GENERAL.—The Administrator—

''(A) shall develop technical guidelines to assist States, local governments, private landowners, and other interested parties in the investigation and cleanup of methyl tertiary butyl ether in soil or ground water; and

''(B) may enter into cooperative agreements with the United States Geological Survey, the Department of Agriculture, States, local governments, private landowners, and other interested parties—

''(i) to establish voluntary pilot projects for the cleanup of methyl tertiary butyl ether and the protection of private wells from contamination by methyl tertiary butyl ether; and

''(ii) to provide technical assistance in carrying out such projects.

''(2) PRIVATE WELLS.—This subsection does not authorize the issuance of guidance or regulations concerning the use or protection of private wells.''.

(3) STATE SOURCE WATER ASSESSMENT PROGRAMS.—Section 1453(a) of the Safe Drinking Water Act (42 U.S.C. 300j–13(a)) is amended by adding at the end the following:

''(8) MTBE CONTAMINATION.—

''(A) IN GENERAL.—The Administrator shall amend the guidance under this subsection to require that State source water assessment programs be revised to give high priority to ground water areas and aquifers that have been contaminated, or are most vulnerable to contamination, by methyl tertiary butyl ether.

''(B) APPROVAL OF REVISIONS.—Each revision under subparagraph (A) shall be submitted and approved or disapproved by the Administrator in accordance with the schedule described in paragraph (3).''.

SEC. 3. OXYGEN CONTENT REQUIREMENT UNDER REFORMULATED GASOLINE PROGRAM.

Section 211(k)(1) of the Clean Air Act (42 U.S.C. 7545(k)(1)) is amended—

(1) in the first sentence—

(A) by striking ''Within 1 year after the enactment of the Clean Air Act Amendments of 1990,'' and inserting the following:

''(A) IN GENERAL.—Not later than November 15, 1991,''; and

(B) by inserting before the period at the end the following: ''and opt-in areas under paragraph (6)'';

(2) in the second sentence—

(A) by inserting ''and other'' after ''volatile organic''; and

(B) by inserting ''and precursors of toxic air pollutants'' after ''toxic air pollutants''; and

(3) by adding at the end the following:

''(B) WAIVER OF PER-GALLON OXYGEN CONTENT REQUIREMENT.—

''(i) PROCEDURE FOR SUBMISSION OF PETITIONS.—The Administrator shall promulgate regulations that establish a procedure providing for the submission of petitions for—

''(I) a waiver, with respect to an area, of any per-gallon oxygen content requirement established under paragraph (2)(B) or (3)(A)(v); and

''(II) the averaging, with respect to an area, of the oxygen content requirement established under paragraphs (2)(B) and (3)(A)(v) over such period of time, not to exceed 1 year, as is determined appropriate by the Administrator.

''(ii) CRITERIA FOR GRANTING OF PETITIONS.—After consultation with the Secretary of Energy and the Secretary of Agriculture, the Administrator shall grant a petition submitted under clause (i) if the Administrator finds that granting the petition is necessary—

''(I) to avoid a shortage or disruption in supply of reformulated gasoline;

''(II) to avoid the payment by consumers of excessive prices for reformulated gasoline; or

''(III) to facilitate the attainment by an area of a national primary ambient air quality standard.

''(iii) MAINTENANCE OF HUMAN HEALTH AND ENVIRONMENTAL BENEFITS.—The regulations promulgated under clause (i) shall ensure that the human health and environmental benefits of reformulated gasoline are fully maintained during the period of any waiver of a per-gallon oxygen content requirement.''.

SEC. 4. LIMITATIONS ON AROMATICS AND OLEFINS IN REFORMULATED GASOLINE.

Section 211(k)(3)(A) of the Clean Air Act (42 U.S.C. 7545(k)(3)(A)) is amended—

(1) by striking clause (ii) and inserting the following:

''(ii) AROMATICS.—

''(I) IN GENERAL.—The aromatic hydrocarbon content of the reformulated gasoline shall not exceed 22 percent by volume.

''(II) AVERAGE.—The average aromatic hydrocarbon content of the reformulated gasoline shall not exceed the average aromatic hydrocarbon content of reformulated gasoline sold in covered areas for use in baseline vehicles when using reformulated gasoline during either calendar year 1999 or calendar year 2000.

''(III) MAXIMUM PER GALLON.—No gallon of reformulated gasoline shall have an aromatic hydrocarbon content in excess of 30 percent.''; and

(2) by adding at the end the following:

''(vi) OLEFINS.—

''(I) IN GENERAL.—The olefin content of the reformulated gasoline shall not exceed 8 percent by volume.

''(II) AVERAGE.—The average olefin content of the reformulated gasoline shall not exceed the average olefin content of reformulated gasoline sold in covered areas for use in baseline vehicles when using reformulated gasoline during either calendar year 1999 or calendar year 2000.

''(III) MAXIMUM PER GALLON.—No gallon of reformulated gasoline shall have an olefin content in excess of 10 percent.''.

SEC. 5. MODIFICATION OF PERFORMANCE STANDARDS.

Section 211(k)(3)(B) of the Clean Air Act (42 U.S.C. 7545(k)(3)(B)) is amended—

(1) in the last sentence of clause (i), by inserting before the period at the end the following: '', and, to the maximum extent practicable using available science, determined on the basis of the ozone-forming potential of volatile organic compounds and taking into account the effect on ozone formation of reducing carbon monoxide emissions''; and

(2) in clause (ii)—

(A) in the first sentence, by inserting '', or precursors of toxic air pollutants,'' after ''toxic air pollutants'' each place it appears;

(B) in the second sentence, by inserting before the period at the end the following: '', or precursors of toxic air pollutants'';

(C) in the third sentence, by inserting '', or precursors,'' after ''such air pollutants''; and

(D) in the last sentence, by inserting before the period at the end the following: '', and, to the maximum extent practicable using available science, determined on the basis of the relative toxicity or carcinogenic potency, whichever is more protective of human health and the environment''.

SEC. 6. ANTI-BACKSLIDING.

(a) IN GENERAL.—Section 211(k)(3)(B) of the Clean Air Act (42 U.S.C. 7545(k)(3)(B)) is amended—

(1) in the last sentence, by striking ''Any reduction'' and inserting the following:

''(iii) TREATMENT OF GREATER REDUCTIONS.—Any reduction''; and

(2) by adding at the end the following:

''(iv) ANTI-BACKSLIDING PROVISION.—

''(I) IN GENERAL.—Not later than October 1, 2001, the Administrator shall revise performance standards under this subparagraph as necessary to ensure that—

''(aa) the ozone-forming potential, taking into account all ozone precursors (including volatile organic compounds, oxides of nitrogen, and carbon monoxide), of the aggregate emissions during the high ozone season (as determined by the Administrator) from baseline vehicles when using reformulated gasoline does not exceed the ozone-forming potential of the aggregate emissions during the high ozone season from baseline vehicles when using reformulated gasoline that complies with the regulations that were in effect on January 1, 2000, and were applicable to reformulated gasoline sold in calendar year 2000 and subsequent calendar years; and

''(bb) the aggregate emissions of the pollutants specified in subclause (II), or precursors of those pollutants, from baseline vehicles when using reformulated gasoline do not exceed the aggregate emissions of those pollutants, or precursors, from baseline vehicles when using reformulated gasoline that complies with the regulations that were in effect on January 1, 2000, and were applicable to reformulated gasolines sold in calendar year 2000 and subsequent calendar years.

''(II) SPECIFIED POLLUTANTS.—The pollutants specified in this subclause are—

''(aa) toxic air pollutants, categorized by degree of toxicity and carcinogenic potency;

''(bb) particulate matter (PM–10) and fine particulate matter (PM–2.5);

''(cc) pollutants regulated under section 108; and

''(dd) such other pollutants, and precursors to pollutants, as the Administrator determines by regulation should be controlled to prevent the deterioration of air quality and to achieve attainment of a national ambient air quality standard in 1 or more areas.

''(III) ADJUSTMENT FOR EMISSIONS OF CARBON MONOXIDE.—

''(aa) IN GENERAL.—In carrying out subclause (I), the Administrator shall adjust the performance standard for emissions of volatile organic compounds under this subparagraph to account for emissions of carbon monoxide that are greater than or less than the carbon monoxide baseline determined under item (bb).

''(bb) CARBON MONOXIDE BASELINE.—The carbon monoxide baseline shall be equal to the mass carbon monoxide emissions achieved by reformulated gasoline that contains 2 percent oxygen by weight and meets the other performance standards under this subparagraph.''.

(b) REFORMULATED GASOLINE CARBON MONOXIDE REDUCTION CREDIT.—Section 182(c)(2)(B) of the Clean Air Act (42 U.S.C. 7511a(c)(2)(B)) is amended by adding at the end the following: ''An adjustment to the volatile organic compound emission reduction requirements under section 211(k)(3)(B)(iv) shall be credited toward the requirement for VOC emissions reductions under this subparagraph.''.

SEC. 7. CERTIFICATION OF FUELS AS EQUIVALENT TO REFORMULATED GASOLINE.

Section 211(k)(4)(B) of the Clean Air Act (42 U.S.C. 7545(k)(4)(B)) is amended—

(1) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and indenting appropriately to reflect the amendments made by this section;

(2) by striking ''The Administrator'' and inserting the following:

''(i) IN GENERAL.—The Administrator'';

(3) in clause (i) (as designated by paragraph (2))—

(A) in subclause (I) (as redesignated by paragraph (1)), by striking '', and'' and inserting a semicolon;

(B) in subclause (II) (as redesignated by paragraph (1))—

(i) by striking ''achieve equivalent'' and inserting the following: ''achieve—

''(aa) equivalent'';

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

(iii) by adding at the end the following:

''(bb) combined reductions in emissions of ozone forming volatile organic compounds and carbon monoxide that result in a reduction in ozone concentration, as provided in clause (ii)(I), that is equivalent to or greater than the reduction in ozone concentration achieved by a reformulated gasoline meeting the applicable requirements of paragraph (3);''; and

(C) by adding at the end the following:

''(III) achieve equivalent or greater reductions in emissions of toxic air pollutants, or precursors of toxic air pollutants, than are achieved by a reformulated gasoline meeting the applicable requirements of paragraph (3); and

''(IV) meet the requirements of paragraph (3)(B)(iv).''; and

(4) by adding at the end the following:

''(ii) CARBON MONOXIDE CREDIT.—

''(I) IN GENERAL.—In determining whether a fuel formulation or slate of fuel formulations achieves combined reductions in emissions of ozone forming volatile organic compounds and carbon monoxide in an area that result in a reduction in ozone concentration that is equivalent to or greater than the reduction in ozone concentration achieved by a reformulated gasoline meeting the applicable requirements of paragraph (3) in the area, the Administrator—

''(aa) shall consider, to the extent appropriate, the change in carbon monoxide emissions from baseline vehicles attributable to an oxygen content in the fuel formulation or slate of fuel formulations that exceeds any minimum oxygen content requirement for reformulated gasoline applicable to the area; and

''(bb) may consider, to the extent appropriate, the change in carbon monoxide emissions described in item (aa) from vehicles other than baseline vehicles.

''(II) OXYGEN CREDITS.—Any excess oxygen content that is taken into consideration in making a determination under subclause (I) may not be used to generate credits under paragraph (7)(A).

''(III) RELATION TO TITLE I.—Any fuel formulation or slate of fuel formulations that is certified as equivalent or greater under this subparagraph, taking into consideration the combined reductions in emissions of volatile organic compounds and carbon monoxide, shall receive the same volatile organic compounds reduction credit for the purposes of subsections (b)(1) and (c)(2)(B) of section 182 as a fuel meeting the applicable requirements of paragraph (3).''.

SEC. 8. ADDITIONAL OPT-IN AREAS UNDER REFORMULATED GASOLINE PROGRAM.

Section 211(k)(6) of the Clean Air Act (42 U.S.C. 7545(k)(6)) is amended—

(1) by striking ''(6) OPT-IN AREAS.—(A) Upon'' and inserting the following:

''(6) OPT-IN AREAS.—

''(A) CLASSIFIED AREAS.—

''(i) IN GENERAL.—Upon'';

(2) in subparagraph (B), by striking ''(B) If'' and inserting the following:

''(ii) EFFECT OF INSUFFICIENT DOMESTIC CAPACITY TO PRODUCE REFORMULATED GASOLINE.—If'';

(3) in subparagraph (A)(ii) (as so redesignated)—

(A) in the first sentence, by striking ''subparagraph (A)'' and inserting ''clause (i)''; and

(B) in the second sentence, by striking ''this paragraph'' and inserting ''this subparagraph''; and

(4) by adding at the end the following:

''(B) NONCLASSIFIED AREAS.—

''(i) IN GENERAL.—Upon the application of the Governor of a State, the Administrator shall apply the prohibition specified in paragraph (5) in any area in the State that is not a covered area or an area referred to in subparagraph (A)(i).

''(ii) PUBLICATION OF APPLICATION.—As soon as practicable after receipt of an application under clause (i), the Administrator shall publish the application in the Federal Register.''.

SEC. 9. UPDATING OF BASELINE YEAR.

(a) IN GENERAL.—Section 211(k)(8) of the Clean Air Act (42 U.S.C. 7545(k)(8)) is amended—

(1) by striking subparagraph (A) and inserting the following:

''(A) REGULATIONS.—

''(i) EMISSIONS.—The Administrator shall promulgate regulations applicable to each refiner, blender, or importer of gasoline ensuring that gasoline sold or introduced into commerce by the refiner, blender, or importer (other than reformulated gasoline subject to the requirements of paragraph (1)) does not result in average per gallon emissions of—

''(I) volatile organic compounds;

''(II) oxides of nitrogen;

''(III) carbon monoxide;

''(IV) toxic air pollutants;

''(V) particulate matter (PM–10) or fine particulate matter (PM–2.5); or

''(VI) any precursor of a pollutant specified in subclauses (I) through (V);

in excess of such emissions of such pollutants attributable to gasoline sold or introduced into commerce in calendar year 1999 or calendar year 2000, in whichever occurred the lower of such emissions, by that refiner, blender, or importer.

''(ii) MEASUREMENT OF AVERAGE PER GALLON EMISSIONS.—For the purposes of clause (i), average per gallon emissions shall be measured on the basis of—

''(I) mass; and

''(II) to the maximum extent practicable using available science—

''(aa) ozone-forming potential;

''(bb) degree of toxicity; and

''(cc) carcinogenic potency.

''(iii) AROMATIC HYDROCARBON CONTENT AND OLEFIN CONTENT.—The Administrator shall promulgate regulations applicable to each refiner, blender, or importer of gasoline ensuring that gasoline sold or introduced into commerce by the refiner, blender, or importer (other than reformulated gasoline subject to the requirements of paragraph (1)) does not have an aromatic hydrocarbon content or olefin content in excess of such content of gasoline sold or introduced into commerce in calendar year 1999 or calendar year 2000, in whichever occurred the lower of such content, by that refiner, blender, or importer.'';

(2) in subparagraph (C)—

(A) by striking ''clauses (i) through (iv)'' and inserting ''subclauses (I) through (VI) of subparagraph (A)(i)'';

(B) by inserting ''or volatile organic compounds'' after ''nitrogen''; and

(C) by striking ''(on a mass basis)'' and inserting ''(as measured in accordance with subparagraph (A)(ii))''; and

(3) in subparagraph (E)—

(A) by striking ''calendar year 1990'' and inserting ''calendar year 1999 or calendar year 2000 (as determined under subparagraph (A)(i))''; and

(B) by striking ''such 1990 gasoline'' and inserting ''such 1999 or 2000 gasoline''.

(b) REGULATIONS.—As soon as practicable after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall revise the regulations promulgated under section 211(k) of the Clean Air Act (42 U.S.C. 7545(k)) to reflect the amendments made by subsection (a).

SEC. 10. RENEWABLE CONTENT OF GASOLINE AND DIESEL FUEL.

(a) IN GENERAL.—Section 211 of the Clean Air Act (42 U.S.C. 7545) is amended—

(1) by redesignating subsection (o) as subsection (p); and

(2) by inserting after subsection (n) the following:

''(o) RENEWABLE CONTENT OF MOTOR VEHICLE FUEL.—

''(1) IN GENERAL.—

''(A) REGULATIONS.—Not later than September 1, 2001, the Administrator shall promulgate regulations applicable to each refiner, blender, or importer of motor vehicle fuel to ensure that motor vehicle fuel sold or introduced into commerce in the United States by the refiner, blender, or importer complies with the renewable content requirements of this subsection.

''(B) RENEWABLE CONTENT REQUIREMENTS.—

''(i) IN GENERAL.—All motor vehicle fuel sold or introduced into commerce in the United States by a refiner, blender, or importer shall contain, on a semiannual average basis, a quantity of fuel derived from a renewable source, measured on a gasoline-equivalent energy content basis (as determined by the Secretary of Energy) that is not less than the applicable percentage by volume for the semiannual period.

''(ii) APPLICABLE PERCENTAGE.—For the purposes of clause (i), the applicable percentage for a semiannual period of a calendar year shall be determined in accordance with the following table:

''Calendar year:	Applicable percentage of fuel derived from a renewable source:
2001	0.8
2002	1.0
2003	1.2
2004	1.4
2005	1.6
2006	1.8
2007	2.1
2008	2.4
2009	2.7
2010	3.0
2011 and thereafter	3.3.

''(C) FUEL DERIVED FROM A RENEWABLE SOURCE.—For the purposes of this subsection, a fuel shall be considered to be derived from a renewable source if the fuel—

''(i) is produced from—

''(I) agricultural commodities, agricultural products, or residues of agricultural commodities or agricultural products;

''(II) plant materials, including grasses, fibers, wood, and wood residues;

''(III) dedicated energy crops and trees;

''(IV) animal wastes, animal byproducts, and other materials of animal origin;

''(V) municipal wastes and refuse derived from plant or animal sources; and

''(VI) other biomass; and

''(ii) is used to replace or reduce the quantity of fossil fuel present in a fuel mixture used to operate a motor vehicle, motor vehicle engine, nonroad vehicle, or nonroad engine.

''(D) CREDIT PROGRAM.—

''(i) IN GENERAL.—The regulations promulgated under this subsection shall provide for the generation of an appropriate amount of credits by a person that refines, blends, or imports motor vehicle fuel that contains, on a semiannual average basis, a quantity of fuel derived from a renewable source that is greater than the quantity required under subparagraph (B).

''(ii) USE OF CREDITS.—The regulations shall provide that a person that generates the credits may use the credits, or transfer all or a portion of the credits to another person, for the purpose of complying with subparagraph (B).

''(iii) REGULATIONS TO PREVENT EXCESSIVE GEOGRAPHICAL CONCENTRATION.—The Administrator, in consultation with the Secretary of Energy and the Secretary of Agriculture, may promulgate regulations governing the generation and trading of credits described in clause (i) in order to prevent excessive geographical concentration in the use of fuel derived from a renewable source that would tend unduly—

''(I) to affect the price, supply, or distribution of such fuel;

''(II) to impede the development of the renewable fuels industry; or

''(III) to otherwise interfere with the purposes of this subsection.

''(2) WAIVERS.—

''(A) IN GENERAL.—The Administrator, in consultation with the Secretary of Agriculture and the Secretary of Energy, may waive the requirements of paragraph (1)(B) with respect to an area in whole or in part on petition by a State—

''(i) based on a determination by the Administrator, after public notice and opportunity for comment, that—

''(I) implementation of the requirements would severely harm the economy or environment of the area; or

''(II) there is an inadequate domestic supply or distribution capacity with respect to fuel from renewable sources in the area to meet the requirements of paragraph (1)(B); and

''(ii) only after a determination by the Administrator that use of the credit program described in paragraph (1)(D) would not adequately alleviate the circumstances on which the petition is based.

''(B) APPROVAL.—The Administrator shall approve a waiver under subparagraph (A) only to the extent necessary to—

''(i) avoid severe economic or environmental harm; or

''(ii) equalize demand with supply or distribution capacity.

''(C) PETITIONS FOR WAIVERS.—The Administrator, in consultation with the Secretary of Agriculture and the Secretary of Energy—

''(i) shall approve or deny a State petition for a waiver of the requirements of paragraph (1)(B) within 180 days after the date on which the petition is received; but

''(ii) may extend that period for up to 60 additional days to provide for public notice and opportunity for comment and for consideration of the comments submitted.

''(D) TERMINATION OF WAIVERS.—A waiver granted under subparagraph (A) shall terminate on the earlier of—

''(i) the date on which the Administrator, in consultation with the Secretary of Agriculture and the Secretary of Energy, determines that the reason for the waiver no longer exists; or

''(ii) the date that is 1 year after the date on which the waiver is granted.

''(3) REPORTS TO CONGRESS.—Not less often than every 3 years, the Administrator shall—

''(A) in consultation with the Secretary of Agriculture, submit to Congress a report that describes—

''(i) the impact of implementation of this subsection on—

''(I) the demand for farm commodities, biomass, and other materials used for producing fuel derived from a renewable source; and

''(II) the adequacy of food and feed supplies; and

''(ii) the effect of implementation of this subsection on farm income, employment, and economic growth, particularly in rural areas; and

''(B) in consultation with the Secretary of Energy, submit to Congress a report that—

''(i) describes greenhouse gas emission reductions that result from implementation of this subsection; and

''(ii) assesses the effect of implementation of this subsection on United States energy security and reliance on imported petroleum.''.

(b) PENALTIES AND ENFORCEMENT.—Section 211(d) of the Clean Air Act (42 U.S.C. 7545(d)) is amended—

(1) in paragraph (1)—

(A) in the first sentence, by striking ''or (n)'' each place it appears and inserting ''(n), or (o)''; and

(B) in the second sentence, by striking ''or (m)'' and inserting ''(m), or (o)''; and

(2) in the first sentence of paragraph (2), by striking ''and (n)'' each place it appears and inserting ''(n), and (o)''.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 89—EXPRESSING THE SENSE OF THE SENATE WELCOMING TAIWAN'S PRESIDENT CHEN SHUI-BIAN TO THE UNITED STATES

Mr. TORRICELLI (for himself, Mr. HELMS, and Mr. MURKOWSKI) submitted the following resolution; which was referred to the Committee on Foreign Relations.

S. RES. 89

Whereas for more than 50 years a close relationship has existed between the United States and Taiwan which has been of enormous economic, cultural, and strategic advantage to both countries;

Whereas the United States and Taiwan share common ideals and a vision for the 21st century, where freedom and democracy are the strongest foundations for peace and prosperity;

Whereas Taiwan has demonstrated an improved record on human rights and a commitment to the democratic ideals of freedom of speech, freedom of the press, and free and fair elections routinely held in a multiparty system, as evidenced by the election on March 18, 2000, of Mr. Chen Shui-bian as Taiwan's new president; and

Whereas the upcoming May 21 visit to the United States of Taiwan's President Chen Shui-bian is another significant step in the broadening of relations between the United States and Taiwan: Now, therefore, be it

Resolved, That the Senate—

(1) warmly welcomes Taiwan's President Chen Shui-bian upon his visit to the United States;

(2) requests president Chen Shui-bian to communicate to the people of Taiwan the support of the United States Congress and of the American people; and

(3) recognizes that the visit of Taiwan's President Chen Shui-bian to the United States is a significant step towards broadening and deepening the friendship and cooperation between the United States and Taiwan.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, May 15, 2001, to conduct a hearing on the nomination of Mr. Alphonso R. Jackson, of Texas, to be Deputy Secretary of Housing and Urban Development; Mr. Richard A. Hauser, of Maryland, to be General Counsel of the Department of Housing and Urban Development; Mr. John Charles Weicher, of the District of Columbia, to be Assistant Secretary of Housing and Urban Development and serve as the Federal Housing Commissioner; and the Honorable Romolo A. Bernardi, of New York, to be Assistant Secretary of Housing and Urban Development for Community Planning and Development.

The committee will also vote on the nomination of Mr. John E. Robson, of California, to be President of the Export-Import Bank; Mr. Peter R. Fisher, of New Jersey, to be Under Secretary of the Treasury for domestic finance; and Mr. James J. Jochum, of Virginia, to be Assistant Secretary of Commerce for Export Administration.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, May 15, at 9:30 a.m., to conduct an oversight hearing. The committee will consider national energy policy with respect to Federal, State, and local impediments to the siting of energy infrastructure.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet on Tuesday, May 15, 2001, at 2:30 p.m., to receive testimony on the FY02 budget and priorities of the Environmental Protection Agency.

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

COMMITTEE ON FINANCE

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Tuesday, April 15, 2001, to mark up the Taxpayer Relief Act.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the sessions of